S. HRG. 100-558

BAYNARD, FRANKLIN, AND ARY NOMINATIONS

HEARING

BEFORE THE

COMMITTEE ON ENERGY AND NATURAL RESOURCES UNITED STATES SENATE

ONE HUNDREDTH CONGRESS

SECOND SESSION

ON THE

NOMINATIONS OF ERNEST C. BAYNARD III, TO BE ASSISTANT SECRETARY FOR ENVIRONMENT, SAFETY AND HEALTH, DEPARTMENT OF ENERGY; C. ANSON FRANKLIN, TO BE ASSISTANT SECRETARY FOR CONGRESSIONAL, INTERGOVERNMENTAL AND PUBLIC AFFAIRS, DEPARTMENT OF ENERGY; AND T.S. ARY, TO BE DIRECTOR, BUREAU OF MINES, DEPARTMENT OF THE INTERIOR

MARCH 14, 1988

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BAYNARD, FRANKLIN, AND ARY NOMINATIONS

MONDAY, MARCH 14, 1988

U.S. SENATE,
COMMITTEE ON ENERGY AND NATURAL RESOURCES,
Washington, DC.

The committee met, pursuant to notice, at 10:05 a.m. in room SD-366, Dirksen Senate Office Building, Hon. Wendell H. Ford, presiding.

OPENING STATEMENT OF HON. WENDELL H. FORD, U.S. SENATOR FROM KENTUCKY

Senator FORD. Good morning, ladies and gentlemen. This hearing is on three nominations by President Reagan this morning. What I'd like to do, in order to expedite the hearing, since there appear to be no objections to either of the nominees, is to allow the distinguished senior Senator from Virginia to make his statement and we will call Mr. Franklin and Mr. Ary to the table, and then we will swear those three gentlemen in.

I think, Senator Nickles, you have a statement you'd like to make also this morning. Then we will swear them in and ask the normal questions and beyond that I don't think there will be any hesitation to get in and get out, that sort of thing. And so, under those circumstances this morning, Senator, if you wish to proceed, we're delighted to see you and have you here this morning.

STATEMENT OF HON. JOHN WARNER, U.S. SENATOR FROM VIRGINIA

Senator WARNER. Thank you, Mr. Chairman. As I understand it, Mr. Nickles wishes to precede me for a few minutes?

Senator FORD. No, I recognize you. I'm in charge of this this morning and so you let me recognize the distinguished Silver Fox from Virginia.

Senator WARNER. Mr. Chairman, having been a member of this committee for so many years and now being one of your loyal servants on the Rules Committee, I know the reputation of the Chairman for firmness and fairness. I detect both at this time.

It is my pleasure this morning to introduce two gentlemen. First, Ernie Baynard, a long time personal friend, as is my other friend, Anson Franklin. Joining Mr. Baynard today, his wife Wendy and their three children, right here in the front row, Mr. Chairman. Mr. Baynard's parents are also here today, Mr. and Mrs. Ernest Baynard and his mother-in-law, Mrs. Fee.

Mr. Chairman, to the position that the President has nominated Mr. Baynard for, he brings extensive experience and background in both energy and environmental matters. His credentials are well established throughout local, State, and Federal levels of government, as well as within the private sector.

Mr. Baynard has extensive regulatory experience in energy and environmental matters and has handled numerous matters for various Federal agencies. On his accomplishments, he has represented not only private companies, but also the trans-Alaska pipeline liability fund, and was an associate solicitor for the Department of the Interior's Surface Mining Program. He served as Deputy General Counsel for the Federal Energy Regulatory Commission and has practiced significant energy and environmental matters before numerous Federal Government agencies.

He has also practiced before the United States Court of Appeals here in the District and has authored a treatise on public land law. I should add that he is currently chairman of the natural resources law section of the American Bar Association—the Chairman elect. Throughout his career he has always demonstrated leadership abilities.

Mr. Chairman, I highly recommend this nominee to the Chair and the members of this committee, on behalf of Mr. Franklin, the President's nominee for Assistant Secretary of Energy for Congressional and Intergovernmental and Public Affairs. Likewise, I've been acquainted with Mr. Franklin for a number of years, first in the Office of the Attorney General of the Commonwealth of Virginia for more than ten years. There can be no doubt that Mr. Franklin's wide range of experience since then uniquely qualifies him for the position to which the President has made this nomination.

As Director of Administration for the Office of Virginia's Attorney General for more than three years, he established himself as an able and talented manager. Following his service at the State level, he was appointed at the White House Staff as Assistant Press Secretary to the President. His years in the White House Press Office prepared him for duties as Director of Communications for the Department of Energy. Through his involvement with all major issues confronting the Department, Mr. Franklin has become well versed in energy issues.

Mr. Franklin expanded his portfolio in Congressional affairs over a year ago when he was appointed the principal Deputy Assistant Secretary for Congressional, Intergovernmental and Public Affairs, the second ranking position in that office. Since December he has served as Acting Assistant Secretary.

As all of those associated with him know well, he is a man of integrity, talent, dedication and holds to high standards in government service as a former official at the State level, as a White House Press Secretary, Department spokesman, and most recently as Congressional Relations Officer.

Mr. Franklin's background has given him a blend of experience that ideally suits him for the demands of the Office of Assistant Secretary for Congressional, Intergovernmental and Public Affairs. May I note that his lovely wife and newborn child are here. I thank the Chair and the members of the committee for their courtesy.

[The prepared statements of Senator Warner follow:]

SENATOR JOHN WARNER

INTRODUCTION OF

MR. ERNEST C. BAYNARD, III

ASSISTANT SECRETARY OF ENERGY FOR

ENVIRONMENT, SAFETY, AND HEALTH

MR. CHAIRMAN, IT'S A PLEASURE FOR ME THIS MORNING TO INTRODUCE TO THE COMMITTEE A GENTLEMAN AND PERSONAL FRIEND, ERNEST BAYNARD, WHO IS BEING CONSIDERED FOR THE POSITION OF ASSISTANT SECRETARY OF ENERGY FOR ENVIRONMENT, SAFETY, AND HEALTH.

JOINING MR. BAYNARD TODAY ARE HIS HIS WIFE, WENDY, AND THEIR THREE CHILDREN - JACKSON, ELIZABETH AND WILLIAM.

MR. BAYNARD'S PARENTS ARE ALSO HERE TODAY, MR. AND MRS. ERNEST BAYNARD, AND HIS MOTHER-IN-LAW, MRS. DOROTHY FEE.

MR. CHAIRMAN, MR. BAYNARD BRINGS TO THE POSITION AN EXTENSIVE BACKGROUND IN ENERGY AND ENVIRONMENTAL MATTERS.

HIS CREDENTIALS ARE WELL-ESTABLISHED THROUGHOUT LOCAL, STATE AND FEDERAL LEVELS OF GOVERNMENT, AS WELL AS WITHIN PRIVATE INDUSTRY.

MR. BAYNARD HAS EXTENSIVE REGULATORY EXPERIENCE IN ENERGY AND ENVIRONMENTAL AREAS AND HAS HANDLED NUMEROUS MATTERS BEFORE VARIOUS FEDERAL AGENCIES.

AMONG HIS ACCOMPLISHMENTS, MR. BAYNARD:

* HAS REPRESENTED NOT ONLY PRIVATE COMPANIES, BUT ALSO THE TRANS-ALASKA PIPELINE LIABILITY FUND;

* WAS AN ASSOCIATE SOLICITOR FOR THE DEPARTMENT OF INTERIOR'S SURFACE MINING PROGRAMS;

* SERVED AS DEPUTY GENERAL COUNSEL FOR THE FEDERAL ENERGY REGULATORY COMMISSION;

* HAS PRACTICED SIGNIFICANT ENERGY AND ENVIRONMENTAL MATTERS BEFORE NUMEROUS FEDERAL GOVERNMENT AGENCIES

* HAS ALSO PRACTICED BEFORE THE UNITED STATES COURTS OF APPEAL HERE IN THE DISTRICT; AND

* HAS AUTHORED A TREATISE ON PUBLIC LAND LAW.

I SHOULD ADD THAT HE IS CURRENTLY CHAIRMAN OF THE NATURAL RESOURCES LAW SECTION OF THE AMERICAN BAR ASSOCIATION.

THROUGHOUT HIS DISTINGUISHED CAREER, HE HAS ALWAYS DEMONSTRATED LEADERSHIP ABILITIES.

HE HAS EFFECTIVELY BALANCED THE FRAGILE NEEDS OF THE ENVIRONMENT WITH THE ECONOMIC DEMANDS OF OUR GREAT NATION.

MR. CHAIRMAN, I'M SURE MR. BAYNARD LOOKS FORWARD TO ANSWERING ANY QUESTIONS YOU MAY HAVE WITH RESPECT TO HIS EXPERIENCE AND QUALIFICATIONS FOR THE POSITION.

SENATOR JOHN WARNER

INTRODUCTION OF

C. ANSON FRANKLIN

TO BE ASSISTANT SECRETARY OF ENERGY FOR

CONGRESSIONAL, INTERGOVERNMENTAL, AND PUBLIC AFFAIRS

IT IS MY PLEASURE, MR. CHAIRMAN, TO WELCOME A FELLOW VIRGINIAN ANSON FRANKLIN AS PRESIDENT REAGAN'S NOMINEE FOR ASSISTANT SECRETARY OF ENERGY FOR CONGRESSIONAL, INTERGOVERNMENTAL, AND PUBLIC AFFAIRS.

I HAVE BEEN ACQUAINTED WITH MR. FRANKLIN SINCE HIS FIRST DAYS OF SERVICE IN THE OFFICE OF THE ATTORNEY GENERAL OF THE COMMONWEALTH OF VIRGINIA MORE THAN TEN YEARS AGO. THERE CAN BE NO DOUBT THAT MR. FRANKLIN'S WIDE RANGE OF EXPERIENCE SINCE THEN UNIQUELY QUALIFIES HIM FOR THE POSITION TO WHICH HE HAS BEEN NOMINATED.

AS DIRECTOR OF ADMINISTRATION FOR THE OFFICE OF VIRGINIA'S ATTORNEY GENERAL FOR MORE THAN THREE YEARS, HE ESTABLISHED HIMSELF AS AN ABLE AND TALENTED MANAGER. FOLLOWING HIS SERVICE AT THE STATE LEVEL, HE WAS APPOINTED TO THE WHITE HOUSE STAFF AS ASSISTANT PRESS SECRETARY TO THE PRESIDENT. HIS YEARS IN THE WHITE HOUSE PRESS OFFICE PREPARED HIM FOR HIS DUTIES AS DIRECTOR OF COMMUNICATIONS FOR THE DEPARTMENT OF ENERGY. THROUGH HIS INVOLVEMENT WITH ALL MAJOR ISSUES CONFRONTING THE DEPARTMENT, MR. FRANKLIN HAS BECOME WELL-VERSED IN ENERGY ISSUES.

Mr. Franklin expanded his portfolio to Congressional affairs over a year ago when he was appointed Principal Deputy Assistant Secretary for Congressional, Intergovernmental, and Public Affairs, the second ranking position in that office. Since December, he has served as Acting Assistant Secretary.

As all of those associated with him, know, he is a man of integrity, talent, and dedication who holds to the highest standards of government service. As a former official at the state level, as a White House press secretary, as a Department spokesman, and most recently as Congressional Relations Officer, Mr. Franklin's background has given him a blend of experience that ideally suits him for the demands of the office of Assistant Secretary for Congressional, Intergovernmental, and Public Affairs.

Mr. Chairman, I hope you and the Committee will agree that the nominee is well prepared and qualified for the position of Assistant Secretary.

Senator FORD. We thank the Senator for his support of these nominees this morning. And, Senator Nickles, you have a statement this morning, I believe, for Mr. Ary?

STATEMENT OF HON. DON NICKLES, U.S. SENATOR FROM OKLAHOMA

Senator NICKLES. Thank you very much. It's good to see Senator Warner back. We should try to get him back on this committee. Mr. Chairman, it's my pleasure——

Senator FORD. It won't hurt coal any, if we can get him back.

Senator NICKLES. Mr. Chairman, it is my pleasure to introduce to the committee and offer my strong recommendation for Mr. T.S. Ary. I also have a statement from Senator McClure, in support of Mr. Ary. Senator McClure wished to be here but was detained, and I'd like to have that entered into the record, as well.

Mr. Chairman, Mr. Ary has life long experience in the mineral industry. I think he would do an outstanding job as Director of the Bureau of Mines. He attended Stanford University and received a Bachelor of Science Degree in Mineral Sciences. It's a combination degree in mining engineering and also geology.

For the past four years he served on the National Strategic Materials and Mineral Program Advisory Committee, which makes recommendations to the Secretary of the Interior. I've known Mr. Ary and his affiliation with Kerr-McGee Minerals. He's retired from Kerr-McGee, but he served seven years as President of Kerr-McGee Minerals and Exploration Division in Oklahoma City. He has also worked with Union Carbide.

He has actually over 30 years experience in the private sector working in the minerals area, and so I think we have an individual, Mr. Chairman, who offers to not only this committee but to this Administration, which is the Bureau of Mines, a tremendous amount of expertise. I think he will really be a valuable player in an area of helping us to realize some of the important needs and in many cases shortages that we have in this country, and so it's my strong recommendation to the committee and to the Congress that we would confirm Mr. Ary.

[The prepared statement of Senator McClure follows:]

STATEMENT OF SENATOR McCLURE

NOMINATION HEARING OF T.S. ARY,
ERNEST C. BAYNARD III, AND C. ANSON FRANKLIN

MARCH 14, 1988

GOOD MORNING. I AM PLEASED TO BE HERE TODAY TO SUPPORT THE NOMINATIONS OF T.S. ARY TO BE DIRECTOR OF THE BUREAU OF MINES AT THE DEPARTMENT OF THE INTERIOR, ERNEST C. BAYNARD TO BE ASSISTANT SECRETARY OF ENERGY FOR ENVIRONMENT, SAFETY AND HEALTH, DEPARTMENT OF ENERGY, AND C. ANSON FRANKLIN TO BE ASSISTANT SECRETARY OF ENERGY FOR CONGRESSIONAL, INTERGOVERNMENTAL AND PUBLIC AFFAIRS AT THE DEPARTMENT OF ENERGY.

MR. ARY HAS HAD AN EXTENDED CAREER IN THE ENERGY FIELD, SERVING MOST RECENTLY AS PRESIDENT OF THE MINERALS EXPLORATION DIVISION OF THE KERR-McGEE CORPORATION IN OKLAHOMA CITY. FROM 1975 TO 1980, HE WAS VICE PRESIDENT OF UTAH EXPLORATION, INC., AND ALSO WORKED FOR THE UNION CARBIDE EXPLORATION CORPORATION FROM 1953 TO 1974. HIS EXPERIENCE INCLUDES WORK AS A LAND MANAGER, EXPLORATION MANAGER AND MINING ENGINEER.

MR. ARY HAS BEEN A MEMBER OF THE ADVISORY COMMITTEES FOR THE INTERNATIONAL ATOMIC ENERGY AGENCY, THE U.S. STATE DEPARTMENT TASK FORCE ON UNITED NATIONS LAW OF THE SEA CONVENTION, AND THE NATIONAL STRATEGIC MATERIALS AND MINERALS PROGRAM ADVISORY COMMITTEE TO THE SECRETARY OF THE INTERIOR.

MR. CHAIRMAN, I HAVE KNOWN T. ARY FOR MANY YEARS. I BELIEVE HIS COMPREHENSIVE PROFESSIONAL BACKGROUND AND EXTENSIVE AND VARIED EXPERIENCE MAKE HIM WELL QUALIFIED FOR THE POSITION OF

DIRECTOR OF THE BUREAU OF MINES. I STRONGLY SUPPORT HIS NOMINATION.

I WOULD ALSO LIKE TO INDICATE MY SUPPORT FOR ERNEST C. BAYNARD FOR THE POSITION OF ASSISTANT SECRETARY OF ENERGY FOR ENVIRONMENT, SAFETY AND HEALTH.

MR. BAYNARD COMES TO US FROM THE FIRM OF NEWMAN AND HOLTZINGER WHERE HE SERVES AS COUNSEL. FROM 1984 TO 1986, HE WAS DEPUTY GENERAL COUNSEL AT THE FEDERAL ENERGY REGULATORY COMMISSION, AND ASSOCIATE SOLICITOR IN THE DIVISION OF SURFACE MINING AT THE DEPARTMENT OF THE INTERIOR THE TWO PREVIOUS YEARS.

OUR LAST WITNESS TODAY IS C. ANSON FRANKLIN, THE NOMINEE FOR ASSISTANT SECRETARY OF ENERGY FOR CONGRESSIONAL, INTERGOVERNMENTAL AND PUBLIC AFFAIRS. MR. FRANKLIN IS CURRENTLY THE PRINCIPAL DEPUTY ASSISTANT SECRETARY OF ENERGY AND DIRECTOR OF COMMUNICATIONS AT THE DEPARTMENT OF ENERGY. HE HAS ALSO SERVED AS ASSISTANT PRESS SECRETARY TO THE PRESIDENT, AND WORKED FOR A NUMBER OF STATE AND FEDERAL REPRESENTATIVES.

MR. CHAIRMAN, I THINK MR. FRANKLIN'S RECORD INDICATES HIS DEDICATION TO PUBLIC SERVICE, AND I RECOMMEND HIS NOMINATION TO THE COMMITTEE.

Senator FORD. Thank you, Senator Nickles. Senator Domenici, do you have a statement this morning?

Senator DOMENICI. No, I don't, Mr. Chairman. Thank you very much.

Senator FORD. Thank you very much. The rules of the Committee require that the nominees be sworn. If the three of you would stand, I would give the oath.

[Whereupon, Mr. Baynard, Mr. Franklin, and Mr. Ary were duly sworn by Senator Ford.]

Senator FORD. Thank you, gentlemen. Be seated.

We have some questions that are to be asked, prior to your statements and I'll ask these three questions, addressed to each nominee before the Committee.

The first question, Will you be available to appear before this Committee and other Congressional committees, to represent Department positions and respond to issues of concern to the Congress?

Mr. BAYNARD. Yes, sir, Mr. Chairman, I will.

Mr. FRANKLIN. I will, Mr. Chairman.

Mr. ARY. Yes.

Senator FORD. The second question. Are you aware of any personal holdings, investments, or interests that could constitute a conflict of interest or create the appearance of such a conflict, should you be confirmed and assume the office to which you have been nominated by the President?

Mr. BAYNARD. Mr. Chairman, I have consulted with the appropriate Federal ethics officials and have taken all necessary steps to assure that there is no conflict of interest.

Senator FORD. Thank you very much.

Mr. FRANKLIN. Mr. Chairman, my investments, personal holdings and other interests have been reviewed by myself and the appropriate ethics counsellors within the Federal Government. I have taken appropriate action to avoid any conflicts of interests. There are no conflicts of interests or appearances thereof, to my knowledge.

Senator FORD. Mr. Ary?

Mr. ARY. Mr. Chairman, I have also talked with the Ethics Officer in Government, and we have taken the necessary steps and there's a letter to the affect that there's no conflict.

Senator FORD. I thank all three of you.

The last question. Are you involved or do you have any assets held in blind trust?

Mr. BAYNARD. No, sir, I don't.

Mr. FRANKLIN. No, sir.

Mr. ARY. No.

Senator FORD. Fine. We will then ask Mr. Baynard, if you want to proceed, and then we'll go to Mr. Franklin and Mr. Ary for your opening statements.

STATEMENT OF ERNEST C. BAYNARD III, NOMINEE TO BE ASSISTANT SECRETARY FOR ENVIRONMENT, SAFETY AND HEALTH, DEPARTMENT OF ENERGY

Mr. BAYNARD. Thank you very much, Mr. Chairman. Mr. Chairman, I welcome this opportunity to appear before you as President

Reagan's nominee for Assistant Secretary for Environment, Safety and Health at the Department of Energy.

If confirmed, I look forward to serving Secretary Herrington, and being a part of this important effort of the Department. Secretary Herrington has placed a high priority on assuring the Department's operations are safe and environmentally sound and this is my commitment as well. I am fully aware of the significant duties and responsibilities that accompany this function within the Department and will do my best to live up to the high standards expected of me.

I'm very interested in your views and suggestions, and will endeavor to be responsive to them, as well.

Much of my career has been devoted to environmental and natural resources issues. Currently, I am Chairman-elect of the Natural Resources Law Section of the American Bar Association and was the founding editor-in-chief of that section's publication, Natural Resources and Environment. In addition, I have written a book on public land law, which has been cited by the United States Supreme Court.

After graduation from law school, in 1971, and the conclusion of my judicial clerkship, in 1972, I went to work with a law firm in Washington, DC, Connole and O'Connell. From 1972 until 1983, I represented private industry clients and a Congressionally chartered oil spill liability fund. A substantial amount of my practice involved environmental law.

Between 1983 and 1984, I was Associate Solicitor for Surface Mining at the Department of the Interior. In 1984, I became the Deputy General Counsel of the Federal Energy Regulatory Commission. As that Agency's number two lawyer, I gained additional valuable management experience in assisting the General Counsel in managing an office of roughly 200 lawyers and 80 support staff.

In 1986, I left the Commission and became "of counsel" to the law firm of Newman and Holtzinger, here in Washington, where I am currently employed.

Because the operations of the Department of Energy are necessarily complex, the principal advisor to the Secretary for environmental and safety matters has a great responsibility. While ensuring that the Department's operations are safe and environmentally sound is the responsibility of every employee, the advice, technical assistance and oversight functions that the Assistant Secretary for Environment, Safety and Health has are critical to ensuring a uniform Department-wide approach to environmental and safety requirements, as well as a consistency in compliance.

In order to be good managers, using the resources we have most effectively, we must know the scope of our existing and potential environmental and safety problems. Through careful and consistent audits and appraisals, we can also take steps to reduce any potential risks. Good safety and environmental performance should be recognized and rewarded as an essential component of good management. If confirmed, I would do my best to advise and assist the Secretary and the Department in complying with all environmental and safety requirements and in reducing any areas of identified risk.

Secretary Herrington came to the Department in 1985 with a determination to improve the Department's environment, safety and health performance. Based upon a study he commissioned on the status of the ES&H program at that time, his decision was immediate and direct. A new Office of Environment, Safety and Health was established, with functions and resources consolidated under a new Assistant Secretary independent of program responsibilities and dedicated solely to these issues. From 1985 to 1988, despite growing Departmental resource constraints, the budget of this office grew by 80 percent and its staffing level by 62 percent.

The Department, for the first time began a program which, when completed, will establish a Department-wide baseline of environmental and safety information about its facilities and operation. Also for the first time in DOE history, Environmental Policy and Safety and Health Policy statements were issued, stressing the Secretary's personal commitment to ensuring safe and environmentally sound operations, and reinforcing the ES&H responsibilities of line managers at all levels of the Department. Revised, strengthened safety orders were issued to increase the oversight role of the Assistant Secretary for ES&H including for the first time, delegated facility shutdown authority.

As you are aware, the National Academies of Science and Engineering has recently concluded a review of the Department's class A reactors, at the request of the Secretary. The Secretary immediately directed the Department to respond to the NAS committee's recommendations, including an Advisory Committee on Nuclear Facility Safety. This independent advisory committee, chaired by former NRC Chairman John Ahearne, is composed of recognized experts with broad technical experience and applications and reports directly to the Secretary. As Assistant Secretary, I would work with the Secretary to facilitate the Department's response to the Committee's Advice.

I share the Secretary's strong commitment to continuing the positive course he has charted. A tremendous amount remains to be accomplished in the balance of this Administration and I look forward to being a part of Secretary Herrington's team in this important effort at the Department of Energy. I also look forward to working with you Mr. Chairman and the members of the Committee. Thank you very much, sir.

[The prepared statement of Mr. Baynard follows:]

STATEMENT OF

ERNEST C. BAYNARD, III

NOMINEE FOR THE POSITION OF

ASSISTANT SECRETARY FOR

ENVIRONMENT, SAFETY AND HEALTH

U.S. DEPARTMENT OF ENERGY

COMMITTEE ON ENERGY AND NATURAL RESOURCES

U.S. SENATE

MARCH 14, 1988

Mr. Chairman, Members of the Committee:

I welcome this opportunity to appear before you as President Reagan's nominee for Assistant Secretary for Environment, Safety and Health at the Department of Energy.

If confirmed, I look forward to serving Secretary Herrington and to being a part of this important effort at the Department. Secretary Herrington has placed a high priority on assuring the Department's operations are safe and environmentally sound. This is my commitment as well. I am fully aware of the significant duties and responsibilities that accompany this function within the Department of Energy and will do my best to live up to the high standard expected of me. I am very interested in your views and suggestions, too, and will endeavor to be responsive to them.

Personal Qualifications:

Much of my career has been devoted to environmental and natural resource issues. Currently, I am Chairman-elect of the Natural Resources Law Section of the American Bar Association and was the founding editor-in-chief of that section's publication, Natural Resources and Environment. In addition, I have written a book on public land law, which has been cited by the United States Supreme Court.

After graduation from law school, in 1971, and the conclusion of my judicial clerkship, in 1972, I went to work with a law firm in Washington, D.C., Connole and O'Connell. From 1972 until 1983, I represented private industry clients and a Congressionally chartered oil

spill liability fund. A substantial amount of my practice involved environmental law.

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In 1986, I left the Commission and became "of Counsel" to the law firm of Newman and Holtzinger, in Washington, D.C., where I am currently employed.

The Role of Assistant Secretary for Environment, Safety and Health and Philosophical Approach:

Because the operations of the Department of Energy are necessarily complex, the principal advisor to the Secretary for environmental and safety matters has a great responsibility. While ensuring that the Department's operations are safe and environmentally sound is the responsibility of every employee, the advice, technical assistance and oversight functions that the Assistant Secretary for Environment, Safety and Health has are critical to ensuring a uniform Department-wide approach to environmental and safety requirements and a consistency in compliance.

In order to be good managers, using the resources we have most effectively, we must know the scope of our existing and potential

environmental and safety problems. Through careful and consistent audits and appraisals, we can also take steps to reduce any potential risks. Good safety and environmental performance should be recognized and rewarded as an essential component of good management. If confirmed, I would do my best to advise and assist the Secretary and the Department in complying with all environmental and safety requirements and in reducing any areas of identified risk.

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I share the Secretary's strong commitment to continuing the positive course he has charted. A tremendous amount remains to be accomplished in the balance of this Administration and I look forward to being part of Secretary Herrington's team in this important effort at the Department of Energy. I also look forward to working with you Mr. Chairman and the members of the Committee.

Thank you.

Senator FORD. Fine, thank you very much, Mr. Baynard. Mr. Franklin.

STATEMENT OF C. ANSON FRANKLIN, NOMINEE TO BE ASSISTANT SECRETARY FOR CONGRESSIONAL, INTERGOVERNMENTAL AND PUBLIC AFFAIRS, DEPARTMENT OF ENERGY

Mr. FRANKLIN. Mr. Chairman, it is an honor and a privilege to appear before this Committee today as the President's nominee for Assistant Secretary of Energy for Congressional, Intergovernmental and Public Affairs. I take very seriously the responsibility of ensuring the public trust that has come with this position. If I am confirmed, I will carry out the duties of the Office with integrity and in accordance with the high standards expected of those in public service.

This position is unique in the Department of Energy. As you know, the Assistant Secretary is responsible for representing the full spectrum of Department of Energy activities to Congress, state and local governments and the public. In doing so, he or she becomes a key spokesman for the Administration on energy issues.

I believe the blend of experience which I will bring to this position will be helpful in fostering these objectives. For most of my career, I have worked in public service. This includes three years as a staff assistant to Members of Congress, and three years as Director of Administration for the Attorney General of Virginia. For the past six years, I have served in the Reagan Administration, first as Assistant Press Secretary to the President, and then at the Department of Energy.

In particular, my three years at the Department have prepared me well for this new assignment. As Director of Communications, I acted as the principal press spokesman for the Department. In that role I dealt with the broad range of issues involving energy policy and departmental operations. For the past 15 months, as Principal Deputy Assistant Secretary for Congressional, Intergovernmental and Public Affairs, I have been involved in all aspects of the Office's operations, including Congressional relations. When I became acting Assistant Secretary last October, our Congressional responsibilities became the primary focus of my job.

If I am confirmed, it is my intention to build on the good relationship with Congress, which has characterized the operation of this office over the last several years. We have a competent, professional staff with extensive experience in coordinating the Department's relations with Congress, state and local governments, and the news media.

Managing the Energy Department's Congressional relations is the most important element of the Assistant Secretary's responsibilities. It is essential that Congress and the Department are able to work together with a sense of mutual understanding and cooperation—whether we agree or disagree on an issue. I will make certain that this committee and others are informed about the Department's position on energy issues being considered by the Congress. I will respond to requests for information as promptly as possible and will facilitate efforts to provide expertise to the Congress when

it is requested. When Congress and the Department differ on pending legislation, I will make every effort to seek a resolution.

I will also be fully responsive to individual Senators and Congressmen in all of your dealings with the Department. Whether the issue is a constituent request, a request for information, assistance in drafting legislation, or any other matter, we will respond promptly.

I would apply the same principles to the management of our Division of Intergovernmental Affairs. As the Department's representative to state and local governments and Indian tribes, I would work to ensure that they are kept abreast of the Department's activities, and I would work to ensure that their views are considered in the formulation of the Department's policies.

In public affairs, and in our relations with consumer, business and citizen organizations, I would continue the Department's fine record of communications and cooperation.

Mr. Chairman, it has been an honor and a privilege to serve the Reagan administration for the past six years and to have worked with Secretary John Herrington at the Department of Energy. I am grateful to have this opportunity to serve as an Assistant Secretary of Energy and if I am confirmed, I will do my best to fulfill the high expectations and standards that come with the job.

[The prepared statement of Mr. Franklin follows:]

STATEMENT OF

C. ANSON FRANKLIN

NOMINATION FOR ASSISTANT SECRETARY OF ENERGY

FOR

CONGRESSIONAL, INTERGOVERNMENTAL AND PUBLIC AFFAIRS

SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES

MARCH 14, 1988

STATEMENT BY C. ANSON FRANKLIN

Mr. Chairman and members of the Committee, it is an honor and a privilege to appear before you today as the President's nominee for Assistant Secretary of Energy for Congressional, Intergovernmental and Public Affairs. I take very seriously the responsibility of ensuring the public trust that comes with this position. If I am confirmed, I will carry out the duties of the Office with integrity and in accordance with the high standards expected of those in public service.

This position is unique in the Department of Energy. As you know, the Assistant Secretary is responsible for representing the full spectrum of Department of Energy activities to Congress, state and local governments and the public. In doing so, he or she becomes a key spokesman for the Administration on energy issues.

I believe the blend of experience which I will bring to this position will be helpful in fostering these objectives. For most of my career, I have worked in public service. This includes three years as a staff assistant to members of Congress, and three years as Director of Administration for the Attorney General of Virginia. For the past six years, I have served in the Reagan administration, first as Assistant

Press Secretary to the President and then at the Department of Energy.

In particular, my three years at the Department have prepared me well for this new assignment. As Director of Communications, I acted as the principal press spokesman for the Department. In that role I dealt with a broad range of issues involving energy policy and departmental operations. For the past 15 months, as Principal Deputy Assistant Secretary for Congressional, Intergovernmental and Public Affairs, I have been involved in all aspects of the Office's operations, including Congressional relations. When I became acting Assistant Secretary last October, our Congressional responsibilities became the primary focus of my job.

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I will be pleased to answer any questions you may have.

Senator FORD. Thank you very much, Mr. Franklin.
Mr. Ary.

STATEMENT OF T.S. ARY, NOMINEE TO BE DIRECTOR, BUREAU OF MINES, DEPARTMENT OF THE INTERIOR

Mr. ARY. Thank you. My name is T.S. Ary, and I am honored to appear before the Committee today on Energy and Natural Resources as President Reagan's nominee for the Director of the U.S. Bureau of Mines. I am here to provide you all with whatever information you need relative to this confirmation proceeding.

For the past three and a half years I have been a member of the National Strategic Materials and Minerals Policy Advisory Committee. This Committee is made up of 15 members, representatives of the private sector, State government, academia and public interest groups from around the country who advise the Secretary of the Interior on strategic materials and minerals matters.

I am of the opinion that we should, if possible, return part of our blessings to our country in the form of public service. For me this has not been possible until now. At this point in my career, it would be an honor and a privilege to serve my government by working with Congress and Congress agencies, government agencies, on the Bureau of the Mines matters.

If confirmed, I will bring over 40 years of experience in the mineral industry to this position. I grew up as a coal miner's son living in the "company houses and the mineyard." Upon my return from the navy, where I served as a carrier pilot, I obtained a degree from Stanford University in Mineral Science, which is a combination degree of Mining Engineering and Economic Geology.

I have been fortunate to have been employed by organizations with strong concepts of mineral management. These organizations provided opportunities for academic and practical experiences in strategic planning, exploration, development, finance, research and development, human resources and public lands management. These experiences covered both domestic and international activities. I have made discoveries, developed and/or produced over 27 different minerals in over 50 countries of the world. The bulk of my effort has been in the field of strategic and critical materials and minerals.

I am widely known in the minerals industry through my work over the years. I have established a credibility with industry and academia leaders, which if I am confirmed, will allow me to enlist their support to help in Bureau of Mines matters and activities.

Through my past contact with those leaders, I would feel free to call upon them for their advice and assistance. The working relationships and trust, which I have established would allow for the renewal and improvement of the bond between the Bureau of Mines and the mineral community. In such a renewal, we would be able to strengthen the Bureau's position as a partner with Congress, and other agencies, universities, and the industry in improving the competitiveness of the industry of the United States.

I believe I am viewed by my peers as a good manager—tough but fair. I have a reputation and a record of selecting and developing talented subordinates. This is evidenced by the number of former

staff members who have served with me who are now heads of their companies, managers of their departments or leaders in their field. This applies to both professional and non-professional employees.

The enhancement and protection of the environment and employee safety are my trademarks. I have long been a proponent of a concept that we must operate in a manner which will satisfy both goals, which are not mutually exclusive; that is, to maintain a safe quality environment, and to develop our natural resources. Under my direction, the Kerr-McGee Exploration Division received the Award of Honor from the National Safety Council, for the "Best Record" ever in its specific Industrial Classification for the past four years. Each year a new record was established. The Colorado Mining Association awarded the Exploration Division one of its two Outstanding Health and Safety Recognition Awards in 1987 for working over 1.5 million person days without a lost-time or illness related accident. Safety is an important part of my performance appraisal program.

The mineral industry is a vital cog in the well-being of our Nation. Minerals are global in nature and their flow in international trade directly affects the U.S. supply and demand requirements. President Reagan stated, and I'm quoting, ". . . mineral information and analysis can provide guidance on policies affecting the strategic stockpile, land use, tax and tariff, trade, investment, research and development, environmental protection, and other aspects of domestic and foreign policies." If confirmed, I pledge to you that the Bureau will continue to study those areas under its jurisdiction and provide the data developed for the use of our decision-makers in their deliberations.

The U.S. Bureau of Mines has been and will continue to be the world's leaders of mineral intelligence, research and development of mining and processing techniques, and mineral and material information and analysis activities. If confirmed, I would plan to continue such activities and to be creative in addressing the overall national interest as well as the industry needs. More emphasis will be placed on the needs of industry in the high-tech areas of robotics, automation, new and innovative mining and processing techniques, study of advanced materials, and especially in the technologies of the re-use, recycling or disposal of mining and mineral waste.

This Nation is engaged in a global struggle to remain competitive in the mineral sector. In order to remain competitive, the mining industry must restructure their costs, increase their efficiency, streamline their operations and improve their technology and remove or reduce constraints to new ideas and competitiveness. The Bureau will continue to be a strong advocate for a healthy mineral industry and become more responsive to the needs and opportunities resulting from changes in the international forces affecting the U.S. minerals industry. The Bureau of Mines must step forward and assume the leadership role in accelerating the recovery of the reemerging mineral industry and assuring the effective uses of our national mineral resources.

As you can probably tell, I'm excited about the possibilities that can be derived from a renewed joint academia, Government and in-

dustry effort. I have spent my life time in the mineral industry, and if confirmed, I look forward to helping revitalize this Nation's mining industry so, once again, it can assume its role as the world's leader. It is very important that we regain that leadership role and maintain a healthy minerals industry which is a vital contributor to the national defense and a healthy economy.

I appreciate the opportunity to address the Committee and, if confirmed, I assure you that I will be responsive to the needs of Congress and I look forward to working with you in the challenges ahead. I welcome any questions that you might have to ask. Thank you.

[The prepared statement of Mr. Ary follows:]

STATEMENT OF T S ARY
BEFORE THE UNITED STATES SENATE COMMITTEE
ON ENERGY AND NATURAL RESOURCES

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

My name is T S Ary. I am honored to appear before the Committee on Energy and Natural Resources as President Reagan's nominee to serve as Director of the U.S. Bureau of Mines. I am here to provide whatever information you may find helpful with regard to confirmation.

For the past 3-1/2 years I have been a member of the National Strategic Materials and Minerals Program Advisory Committee. This Committee is made up of 25 members, representatives of the private sector, State government, academia and public interest groups from around the country who advise the Secretary of the Interior on strategic materials and minerals issues.

I am of the opinion that we should return part of our blessings to our country in the form of public service. For me this has not been possible until now. At this point in my career, it would be an honor and privilege to serve my government by working with Congress and government agencies on Bureau of Mines matters.

If confirmed, I will bring over 40 years of experience in the mineral industry to this position. I grew up as a coal miner's son living in the "company-row" of the "mineyard." Upon my return from the Navy, where I served as a carrier pilot, I obtained a degree from Stanford University in Mineral Science -- a combination degree of Mining Engineering and Economic Geology.

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I believe I am viewed by my peers to be a good manager--tough but fair. I have a reputation and record of selecting and developing talented subordinates. This is evidenced by the number of former staff members who served with me and who are now heads of their companies, managers of their departments or leaders in their fields. This applies to both professional and non-professional employees.

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Council for the "Best Record" in its specific Industrial Classification for the past four years. Each year a new record was established. The Colorado Mining Association awarded the Exploration Division one of its two "Outstanding Health and Safety Recognition Awards" in 1987 for working over 1.5 million person days without a lost-time or illness related accident. Safety is an important part of my performance appraisal program.

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As you can probably tell, I am excited about the possibilities that can be derived from a renewed joint academia, Government and industry effort. I have spent my entire life in the mineral industry, and if confirmed, I look forward to helping revitalize this Nation's mining industry so, once again, it can assume its role as the world's leader. It is very important that we regain that leadership role and maintain a healthy minerals industry which is a vital contributor to the national defense and a healthy economy.

I appreciate the opportunity to address the Committee and, if confirmed, I assure you that I will be responsive in the needs of Congress and I look forward to working with you in meeting the challenges ahead. I would welcome any questions you might wish to ask.

Senator FORD. Thank you, Mr. Ary. If you gentlemen are confirmed, and I'm sure you will be, these appointments will reduce the considerable number of vacancies that exist in the Department of the Interior and Energy. And, I guess if I had a choice of the three jobs that are before us this morning or positions, maybe I should say, Mr. Baynard, it wouldn't be yours. You have a tough one. Let's just start with you and let me ask you a few questions this morning and lay out a scenario here and then you can tell me how you feel about it.

In the management of defense, nuclear facilities, the credibility of the Department of Energy is pretty low. You can see an example of this, I think, first-hand later this week, because the debate of the extension that Price-Anderson will be in the Senate. Senator Glenn is going to offer an amendment to the bill to set up an independent Board to oversee DOE's nuclear activities. Overseeing health and safety at DOE facilities is supposed to be under your position.

In addition, Senator Metzenbaum will be offering an amendment to provide for punishment of DOE contractors at these facilities if accidents occur. The Chairman of this committee is going to oppose both of these amendments. The reason these Amendments are being offered and the reason they are going to get some votes is that the Department hasn't been doing their job, or if DOE has been doing their job, the word hasn't gotten out yet.

Let me ask you this. With that background, what are your plans to deal with DOE's credibility problem, as it relates to nuclear safety?

Mr. BAYNARD. Mr. Chairman, I think that there are two types of inspection activities that have to take place at the Department of Energy and I think that one has already been instituted and the second is in its nascent stage, but nonetheless will, I hope, see fruition, if I'm confirmed.

We have to have the interdisciplinary broad inspection taking place at the Department of Energy nuclear facilities, along the lines of the technical safety appraisals that have been conducted to date. But, I think equally important, Mr. Chairman, we also have to have the surprise, unannounced inspection that takes place on no notice and in order to achieve this, we have to have an environment safety and health on-site presence.

Now, it's my understanding that an on-site presence has already been established at Rocky Flats and Savannah River. I would hope that this would be continued. If confirmed, I would do everything I could to see that it was continued, but I think with these two types of inspection efforts taking place, I am confident that my office would be able to conduct efficient and thorough oversight of the Department of Energy's nuclear facilities.

Senator FORD. The Secretary of Energy recently appointed a Nuclear Safety Advisory Board, headed by Dr. John Ahearn. John Ahearn was a member of the Carter Administration, was then appointed to the Nuclear Regulatory Commission. The relationship between the job of this committee and your job is not absolutely clear. What do you understand that relationship to be?

Mr. BAYNARD. Mr. Chairman, I would understand that the Advisory Committee would not only oversee the Department of Energy's nuclear activities as a whole, but also would look over my

shoulder, as well, and I would hope that the distinguished members of that Committee, if they had concerns about the way in which I was conducting the oversight, would let me know about it.

Now, I don't know that I'm going to agree with them at every turn in the road, but I certainly would like to know what their views are, because it's a very distinguished group of people and, of course, Dr. Ahearn is well-known, and I'm hopeful that they would help the Department establish and continue to establish an effective oversight program.

Senator FORD. Do you see any division between your service and theirs, some responsibilities that would be separate?

Mr. BAYNARD. Mr. Chairman, I don't know what the division would be. I would think that they, of course, would be functioning, as I understand it, under the Federal Advisory Committee Act, as an Advisory Committee to the Secretary and I would be operating within the Department as an Assistant Secretary for Environment, Safety, and Health. And, I think that's about the only division that comes to my mind right now.

I think that they would—I don't know what the limits to their charter are, but I imagine that they would raise anything that would be of concern to them, with the Secretary, with the Under Secretary, and with me, as would be appropriate.

Senator FORD. Well, we, sometimes we get overlapping authority and we always get in trouble. Those out there trying to deal with the government are not sure where they're supposed to go. Then you have confusion. That creates problems sometimes. I'd rather have a broad line than a fine line, and so you might look at that a little bit.

The Department of Energy has made use of the services of the National Academy of Sciences to provide advice in its nuclear waste management activities. Favorable academy reviews of DOE activities has helped bolster DOE's credibility in some cases. Critical academy comment has gotten the Department to change some of its plans.

What is your view of the usefulness of these contracts with the academy and do you see a role for more of this type of thing in the future?

Mr. BAYNARD. Mr. Chairman, I think they've been very useful. I believe that there's another NAS report yet to be published. I'm not positive about that, but I believe there is at least one other one that's going to come out.

The principal areas in which I will be operating were heavily discussed by the NAS report. I think one of the concerns they had was that the DOE contractors were operating with what they perceived to be very little oversight. I think this is something that if it's a problem, we're going to have to correct it. I think they were concerned that the comparability standard, as such, was not really a standard. I think we're going to have to look at that. I think they were concerned that the past analyses of possible failures at defense production reactors were concerned with the one cataclysmic accident, rather than looking into multiple mode failure, i.e., several small things happening at once that could lead to a big thing, and insufficient detail, insufficient analysis had been made of these types of incidents and I think that one of the things they talked

about were probabilistic risk analyses, which I understand the Department of Energy has commenced to initiate and will continue and I think will be very very helpful.

In sum, I think that the NAS report is very useful, or at least I find it useful, and whether further reports will be needed, I just don't know, but I think this is something that we'd have to look at maybe a little bit down the road.

Senator FORD. Fine. Thank you very much. Mr. Franklin, I have one question and I think it is significant. But, in your association between the Department and the Congress, and really, representing the Administration, do you think you will have the ability to help us, and I'm from Kentucky, and you know Henry Clay was a great compromiser, and I want to try to find level ground where both the Congress and the Administration might be able to develop something they could agree to. Do you think you will have the ability to work between the two to help us arrive at solutions to problems we find?

Mr. FRANKLIN. Yes, I do, Mr. Chairman.

Senator FORD. How would you go about doing that?

Mr. FRANKLIN. Well, the main thing I would do is work with the staff and with the Senators and try to see what the areas of disagreement are, and come back to the Department of energy and the administration to see if there are areas where we could seek compromise to pass out legislation.

Senator FORD. Other than "may" or "shall" would you have too much trouble with words?

Mr. FRANKLIN. Pardon me, sir?

Senator FORD. Other than "may" or "shall" would you have too much trouble with words?

Mr. FRANKLIN. No, sir.

Senator FORD. Would you put that in capital letters over there? Thank you, sir.

Mr. Ary, give us briefly what your top priority for the Bureau will be.

Mr. ARY. Well, I think that I would try to work closely with industry, and academia and the government in order to establish some clear-cut and concise objectives and goals for the Bureau, objectives which would basically be in the national interest of the competitiveness of the industry and goals which would try to utilize the budgetary funds to maximize a positive input into the industry.

I think that we need to work a little closer with advisory committees in trying to lay out the objectives, more so than we have done in the past.

Senator FORD. Mr. Ary, as usual, the Department's budget proposal for fiscal year 1989 does not include funding for the Mineral Institute's Program. Isn't this contrary to the Bureau's Project 200 goal of helping to insure government, university and industry cooperation and research which you just said you wanted to work with?

Mr. ARY. I have not been involved in this up until this point in time, other than as an industry observer, but I would think that we would and should be talking more often with the academia and the industry. We should try to see if the Institute and past Institute

programs are what we should be doing and then take the action at that point to be a spokesman for or against the Institute.

Senator FORD. Do you think the Mineral Institutes are a worthwhile program?

Mr. ARY. In some areas, the research programs that I have seen the results of, the answer is yes. In others, there's a real question in my mind whether or not the projects that have been assigned to students have been projects that have been necessary in the industry.

But, in general, I would say the Institutes have been a favorable program.

Senator FORD. Now, the authority for this program expires at the end of the coming fiscal year, fiscal year 1989. Would you support re-authorization of the program.

Mr. ARY. I don't know until I get a chance to take a good hard look at the program to see what we'll be doing with them.

Senator FORD. Will you take a good hard look at it before you come for confirmation and let the Senator know?

Mr. ARY. Yes.

Senator FORD. Good.

That's all the questions I have, but let me compliment the children in the front row. Being a grandfather of five, from three to eleven, it's amazing how quiet the mothers have been able to handle them and I want you to know that's significant. It shows discipline. I like that.

Senator Domenici?

Senator DOMENICI. Well, Mr. Chairman, you have a lot more gray hair than I do, but you only have one more grandchild.

Senator FORD. The bragging rights have started, and the first one that makes a statement doesn't have a chance. I want you to know that—I got one more, I got two more, you know how that goes,—but mine are better. Go ahead.

Senator DOMENICI. You can't deny that you look more the part of the grandfather than I.

Senator FORD. It shows the respect I am due. Do you want to keep this up for a while? I'm sorry I mentioned it.

Senator DOMENICI. In any event, I didn't have very many questions, and so it's nice to talk with you, Mr. Chairman. I want to start on that end first, and just talk to you for a minute about the Bureau. Frankly, I hope what you said in your statement is the way you really feel about the Bureau and I hope it is your goal and objective to put it at the top of the list with respect to modern involvement in techniques, skills, and learning about mining. I have had occasion to find out that you are going to take over one of the truly extraordinary groups in the world. They obviously need leadership and from what I've seen, in terms of your background, I hope that you will provide it. It has been one of the exemplary technical groups in the United States.

I want to say to you that one thing I really think you ought to consider is getting the word out a little more as to what your capabilities are. I truly believe that much of their expertise is hidden under a bushel basket. They really have some fantastic talent and I couldn't agree with anyone more than I agree with you, if your statement is your goal. I believe no field of endeavor can stand still

with science moving as rapidly as it is. There's no room for sitting around and resting on our laurels with reference to mining and mining techniques.

I also hope you will utilize other entities and institutions in the country that have the capacity to work with the Bureau to enhance its capabilities. I think we have some marvelous laboratories in the nation that have expertise that are not being used by the Bureau. They have plenty on their own, but I think you can magnify it immensely by inventorying others in academia and public institutions and some government laboratories and maximize the relationships, so that you can remain at the top of that group in the world. It's very important, I think, especially in these highly competitive times and changing times.

And so, I wish you the very best. I think we're very fortunate that you would take this job at this time. Clearly, it's an Administration winding down. Personally, I hope that you will be there for a long time. I think we need somebody just about like you to reset the goals and objectives, and frankly I think that Congress is very receptive to new ideas and new approaches and I hope you will consider those also as you look at your mission, because I think we'd do anything reasonable to make your job and their job more effective. So I compliment you on that and might I just ask, do you not assume that this Department that you're going to head, the Bureau of Mines, has potential beyond that which it is exercising at this point?

Mr. ARY. Yes, Senator, I think so because in years past the Bureau has been a very strong well-known organization. Throughout the world in my travels, internationally, I find that the foreign governments have Bureau of Mines bulletins translated into their language and available to their industry about the time that we can buy them from the Government Printing Office here in the United States.

Other people think that they do an outstanding job and I can cite numerous occasions where the Bureau of Mines publications in R&D have spawned new industries overseas, which they have come back to haunt us. The other reason is that we do have in the Bureau outstanding people. As an industry representative, I have worked with them, and they have done great things and I think our morale has been down in the Bureau for a few years, but I think that's one of the things we can get up. I think we are seeing some of it happening now and coming from industry and being a bottom of the line person, we can't afford to have programs that are not going to help the competitiveness.

And so, in looking at the Bureau and the activities of the future, I hope that we can enlist a lot of outside people, so that we have joint programs that are financed both by industry and by the Bureau so that we can also use industry's best brains because the researchers are not the ones that determine the new things that are going to be used.

The industry people know those things they develop something useful, and advise what can be used, and then they get it into development programs. I hope that we are able to do more work and to get the technology transfer out a little sooner than I have seen it in the past fifteen years.

Senator DOMENICI. Thank you very much. I only have one observation to make with you, Mr. Baynard, and it is by way of admonition. The Chairman has asked most of the questions that I think are relevant. I would just want to go on record as telling you that I think one of the things that you must do in that job is be forthright with us and forthright with the American people.

If there are problems, I don't think it does the Department and its tremendous responsibility—I don't think it does that any good to be found by others, that there's a problem. I think if you find problems, you ought to be very forthright with us and with our people in telling us what they are. If there are things we are not supplying that you need, in order to meet your responsibilities in terms of safety, and in particular in some areas of cleanup, I think you ought to be very forthright and get them out. It's always better for those who are running Departments of government in critical areas like this one that you're in, to let us know where the problems are.

It is always easier to address the problems, if those running them have found them, put them on the table and discussed them forthrightly. While I think you ought to use the Academy and others in assessing and evaluating your role, I think you have a very grave responsibility to be extremely forthright in terms of the nature and scope of the difficulties that are there in the areas of safety and health and cleanup, with reference to the Federal Government's installations and the installations managed by contractors across the country.

I agree with the Chairman, of the three jobs, if I were qualified, you've got the toughest one and I hope you will take it seriously and do your very best. Thank you, Mr. Chairman.

Senator FORD. Thank you, Senator. I have no further questions of either one, but I might make this note that members can submit questions in writing to these nominees for the record until the close of business, Wednesday, the 16th.

So, there being nothing further, we are delighted to have you and look forward to working with you. We will move right along and this hearing is adjourned.

[Whereupon, at 10:52 a.m., the hearing was adjourned.]

APPENDIXES

APPENDIX I

Informational statement of the nominees

Department of Energy
Washington, DC 20585

The Honorable J. Bennett Johnston
Chairman
Committee on Energy and Natural Resources
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

Please be advised that, pursuant to section 201(b) of the Ethics in Government Act of 1978, as amended, I have informed the appropriate ethics officials that I have received salary payments of $15,000 from the law firm of Newman & Holtzinger of Washington, D.C., in addition to the payments from that firm reported in Schedule A of my Standard Form 278 dated February 5, 1988. With this addition, my Standard Form 278 is current as of March 10, 1988. This date is within five days prior to the date of the first hearing scheduled to consider my nomination.

Sincerely yours,

Ernest C. Baynard III

District of Columbia ss

Subscribed and sworn to before me this 10th day of March, 1988.

Notary Public
My Commission Expires November 14, 1989

cc: The Honorable James A. McClure

UNITED STATES SENATE
COMMITTEE ON ENERGY AND NATURAL RESOURCES
STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name: Baynard, III (LAST) Ernest (FIRST) Cornish (OTHERS)

Position to which nominated: Assistant Secretary for Environment, Safety, and Health Date of nomination: February 16, 1988

Date of birth: 08 (DAY) 08 (MONTH) 44 (YEAR) Place of birth: Washington, DC

Marital status: Married Full name of spouse: Wendy Fee Baynard

Name and ages of children: Ernest C. Baynard IV, 17; William Baynard, 2; Jackson Baynard, 8; Elizabeth Baynard, 5

Education:

Institution	Dates attended	Degrees received	Dates of degrees
Gordon Jr. High School	1956-1959	N/A	N/A
Western High School	1959-1962	N/A	N/A
Trinity College	1962-1966	B.A.	5/62
Georgetown Univ. Law Center	1968-1971	J.D.	5/71

Employment record: List below all positions held since college, including the title and description of job, name of employer, location, and dates.

9/86-present, Newman & Holtzinger, P.C., 1615 L St., N.W., Suite 1000, Washington, D.C. 20036, Attorney

5/84-9/86, Fed. Energy Reg. Comm., 825 N. Capitol St., N.E., Washington, D.C., Deputy General Counsel

9/83-5/84, Dept. of the Interior, 18th & C Sts., Washington, D.C., Associate Solicitor for Surface Mining

7/72-9/83, Connole & O'Connell, 900 17th St., Washington, D.C., Partner (1980-83), Associate (1972-1980)

1

Employment record—Continued

6/71-7/72, U.S. Ct. of Claims, 717 Madison Pl., Washington, D.C., Law Clerk

9/70-5/71, Georgetown University Law Center, 600 New Jersey Avenue, Washington, D.C., Part-time Law Clerk

(See continuation page)

Military service

Describe any military service not listed above, including dates, rank, and type of discharge.

10/66-3/67, Naval Officer Candidate, U.S. Navy Officer Candidate School

3/67-9/68, served on the USS Manley (DD-940). I held the rank of Ensign, and Lt. (j.g.)(retired).

Honors and awards

List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships, and any other special recognitions for outstanding service or achievement.

Viet Nam Service Ribbons

Meritorious Unit Commendation

Memberships

List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations.

Organization	Dates	Office held (if any)
American Bar Assoc.	8/87-present	Chairman-Elect, Nat Resources Law Sec.
American Bar Assoc.	8/86-8/87	Vice Chairman, Nat Resources Law Sec.
Federal Energy Bar Association	5/87-present	Vice-Chm., Energy Dev.-Fed. Lands
Army Navy Country Club	1980-present	
University Club	1981-1983	
National Lawyers Club	1973-1983	

(See continuation page)

Published writings: List the titles, publishers and dates of any books, articles, or reports you have written.

BOOK: Public Land Law and Procedure, Wiley Law Publications, 9/86

ARTICLES: Should Strict Products Liability Apply To The Sale Of Electricity?, Tennessee Law Review, To Be Published

Local Rules And Procedures Of The U.S. Court Of Appeals For The Federal Circuit, by G. E. Hutchinson and Ernest C. Baynard, III, 32 Clev. St. L. Rev. 103-16, 1983/1984

Foreword to International Energy Conservation Symposium, D.C. Bar 1978

The Operation And Effect Of Order Nos. 436 And 500, by Ernest C. Baynard, III, Natural Gas Yearbook, To Be Published

Future employment relationships:

1. Will you sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate?

Yes.

2. Do you have any plans after completing government service to resume employment, affiliation or practice with your current or any previous employer, business firm, association or organization?

No.

3. Has a commitment for employment after you leave government been made to you by anyone? Have you made any such commitment?

No.

4. (a) If you have been appointed for a fixed term, do you expect to serve the full term?

N/A

Future employment relationships—Continued

(b) If you have been appointed for an indefinite term, are there any known limitations on your willingness or ability to serve for the foreseeable future?

No.

Financial statement:

1. Attach a copy of your Executive Personnel Financial Disclosure Report (SF 278).

2. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, uncompleted contracts and other future benefits which you expect to derive from previous business relationships, professional services and firm memberships or from former employers, clients, and customers. Amounts should be indicated by the categories established for reporting income on Form SF 278, Schedule A.

See Schedules A & C, Newman & Holtzinger, P.C. (payment of $25,000 bonus upon termination of employment), Schedule C, Wiley Law Publications (book royalties - $17/book sold)

3. Are you currently a party to any legal action? If so, describe its nature and status.

No.

4. Have you ever declared bankruptcy? If so, describe the circumstances.

No.

5. Have you filed a Federal income tax return for each of the last 10 years? If not, please explain.

Yes.

6. Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit?

No.

Potential conflicts of interest

1. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

Texas International Co. (will sell prior to assuming office)

Bonus to be paid by Newman & Holtzinger, P.C. upon termination of employment (has been found not to present conflict problem) (See Question 5 below)

2. Describe any business relationship, dealing or financial transaction (other than taxpaying) that you have had during the last 10 years with the Federal Government, whether for yourself or relatives, on behalf of a client, or acting as an agent, which might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

None.

3. Describe any lobbying activity which you have performed during the past 10 years with respect to legislative or administrative actions at the Federal, State or local level.

None.

4. Have you been informed of the conflict of interest laws and regulations applicable to the position to which you have been nominated?

Yes.

Potential conflicts of interest—Continued

5. Explain how you will resolve any potential conflict of interest that may be disclosed by your responses to this form and the attachments thereto. Attach a statement of the appropriate agency ethics official explaining the applicable laws or regulations, any potential conflicts, and the action required to resolve such conflicts.

Please see answer at Attachment A.

6. Explain how you will resolve any potential conflicts of interest that may arise in the future if you are confirmed for the position for which you have been nominated.

I will comply with all applicable conflict of interest laws and regulations, and I will seek and comply with the advice of the Office of General Counsel of the Department of Energy on any conflict of interest questions that may arise. Also see Attachment A.

Public disclosure. Do you have any objections to this form and the attachments thereto being made public?

No.

AFFIDAVIT

DISTRICT OF COLUMBIA) ss

I, Ernest C. Baynard III, being duly sworn, hereby state that I have read the foregoing Statement for Completion by Presidential Nominees, including all attachments thereto, and that the information provided therein is, to the best of my knowledge and belief, current, accurate, and complete.

(Signature of Nominee)

Subscribed and sworn to before me this 25th day of February, 1988

Notary Public

My Commission Expires November 14, 1989

Form approved by the Committee February 5, 1985.

Employment Record Continued

6/70-8/70, Zuckert, Scoutt & Rasenberger, 888 17th St., Washington, D.C., Law Clerk

6/69-8/70, Spencer, Whalen & Graham, 2000 Massachusetts Avenue, N.W. Washington, D.C., Law Clerk

10/66-8/68, U.S. Navy (see Military Service section)

7/66-9/66, Drumpoint Corp., Lifeguard

Memberships Continued

Mill Reef Club	1982-present
National Rifle Association	1982-1986
D.C. Bar	1971-present
Delta Phi	1963-present
Alcoholics Anonymous	1980-present

ATTACHMENT A

I will sell my interest in Texas International Company before assuming the position of Assistant Secretary for Environment, Safety, and Health. The Office of General Counsel of the Department of Energy has determined that the bonus to be paid to me by Newman & Holtzinger upon termination of my employment with that law firm does not present any conflict of interest problem. To the extent required by section 606(a) and (b) of the Department of Energy Organization Act, I will recuse myself from participation in any proceedings affecting energy concern clients to whom I rendered services before assuming the position of Assistant Secretary for Environment, Safety, and Health. I will not participate, as a Department of Energy official, in any particular matter involving the Natural Resources Law Section of the American Bar Association, and for the duration of my Department of Energy service, I will not participate, as an officer of the Natural Resources Law Section, in any matter that is also before the Department of Energy.

SF 278 (Rev. 1/87)
PRM Chapter 735
U.S. Office of Personnel Management

Financial Disclosure Report

Form Approved
OMB No. 3201-0082

Reporting Status (Check Appropriate Box)		Agency Use Only	OGE Use Only	Date of Appointment, Candidacy, Election or Nomination (Mo., Day, Yr.)	Termination Date (If Applicable) (Month, Day, Year)
[X] Incumbent	[X] New Entrant, Nominee, or Candidate [ ] Termination Filer	FEB 08 1988			

	Last Name	First Name and Middle Initial
Reporting Individual's Name	Baynard III	Ernest C.
Position for Which Filing	Title of Position: Assistant Secretary for Environment, Safety, and Health	Department or Agency (If Applicable): Department of Energy
Location of Present Office	Address (Number, Street, City, State and ZIP Code): 1615 L Street, N.W., Washington, D.C. 20036	Telephone No. (Include Area Code): (202) 955-6634
Position(s) Held With the Federal Government During the Preceding 12 Months (If Not Same as Above)	Title of Position(s) and Date(s) Held: Consultant, DOE, 1/04/88 to present	

Presidential Nominees Subject to Senate Confirmation	Name of Congressional Committee Considering Nomination	Do You Intend to Create a Qualified Diversified Trust?
	Senate Committee on Energy and Natural Resources	[ ] Yes [X] No

Certification	Signature of Reporting Individual	Date (Month, Day, Year)
I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge and belief.	Ernest C. Baynard	Feb 5, 1988
Other Review (If desired by agency)	Signature of Other Reviewer	Date (Month, Day, Year)
Agency Ethics Official's Opinion	Signature of Designated Agency Ethics Official/Reviewing Official	Date (Month, Day, Year)
The information contained in this report discloses no conflict of interest under applicable laws and regulations.	Roger D. Goldsberg	2/17/88
Office of Government Ethics Use Only	Signature	Date (Month, Day, Year)

Comments of Reviewing Officials (If additional space is required, use the reverse side of this sheet)

See DAEO letter of 2/17/88 for advice provided to Mr. Baynard.

(Check box if comments are continued on the reverse side) [ ]

Reporting Periods

Incumbents: Complete Schedules A, B, C, and Part I of D. The reporting period is the preceding calendar year except for Part II of Schedule C and Part I of Schedule D where you must also include any positions held or agreements or arrangements made from the beginning of the filing year until the date you file.

Termination Filers: Complete Schedules A, B, C, and Part I of D. The reporting period begins at the end of the period covered by your previous filing and ends at the date of termination.

Nominees, New Entrants and Candidates for President and Vice President: Complete Schedules A (except for BLOCK D), C, and D. (Candidates do not file Part II of Schedule D.

- **Schedule A**—The reporting period for income (BLOCK C) is the preceding calendar year and the current calendar year up to the date of filing. Value assets in BLOCK B as of any date you choose that is within 31 days of the date of filing.
- **Schedule C, Part I** (Liabilities)—The reporting period is the preceding calendar year and the current calendar year up to any date you choose that is within 31 days of the date of filing.
- **Schedule C, Part II** (Agreements and Arrangements)—Show any agreements or arrangements as of the date of filing.
- **Schedule D**—The reporting period is the preceding two calendar years and the current calendar year up to the date of filing.

of 278 (Rev. 1/87)
Part Chapter 734
U.S. Office of Personnel Management

Form Approved
OMB No. 3206-0082

Reporting Individual's Name	Assets and Income	Page Number	2	Schedule A
Ernest C. Baynard, III				

All Filers: In BLOCK A report (a) the identity of each asset held for the production of income at the close of the reporting period which had a fair market value exceeding $1000 and (b) any other asset or source of income which generated over $100 in income during the reporting period. This includes but is not limited to employers, stocks, bonds, tax shelters, bank accounts, real property, mutual funds, pensions, IRA assets, assets of certain trusts, commodities futures, personal businesses and partnership interests. Exclude your personal residence unless you rent it out. See instructions for rules on bank accounts and complex holdings.

All Filers: In BLOCK B report the value of each asset listed in BLOCK A which had a fair market value exceeding $1000 at the close of the reporting period.

All Filers: In BLOCK C report the type and amount of income exceeding $100 received from the assets and other sources of income listed in BLOCK A. You must report the **actual amount** of any income not of a type specifically noted below. You need not report the actual amount of your spouse's earned income, only the source in BLOCK A. You may not check "qualified trust" unless you have a blind trust which has been specifically approved by the Office of Government Ethics. If you, your spouse or dependent child are the beneficiary of a trust which no one of you created and has no knowledge of the assets, refer to the instructions to see if it qualifies as an "excepted trust." If "none" (or less than $101) is checked under Category of Amount of Income, no other entries need be made in BLOCK C for that item.

Incumbents and Termination Filers only: In BLOCK D, for any real property, stocks, bonds, commodities futures and other securities listed in BLOCK A, did you purchase, sell, or exchange the item during the reporting period for a value that exceeds $1000?

	BLOCK A Assets & Income Sources	BLOCK B Valuation of Assets								BLOCK C Income													BLOCK D Transactions Test	
	Identify each asset and income source of yours, your spouse(S) and your dependent child (DC). NONE ☐	Category of Value (X)								Type of Income (X)						Other (Specify Type)	Category of Amount of Income (X)								Actual Amount Only if "Other" Specified	Date (Mth., Day, Yr.) Only if Honoraria	If yes, complete Schd. B Part I for those assets including those sold for a loss.	
		None (or less than $1001)	$1,001-$15,000	$15,001-$50,000	$50,001-$100,000	$100,001-$250,000	Over $250,000	Dividends	Rent	Interest	Capital Gains	Excepted Trust	Qualified Trust		None (or less than $101)	$101-$1,000	$1,001-$2,500	$2,501-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	Over $100,000			YES	NO
6 or DC	Examples: X Y Z Common			X				X									X						--		X	
	Doe Jones & Smith, Hometown, USA		X											ptnrship income									$60,000			
1	Emergency Medical Technology Fund, Inc. *	X													X											
2	Linear Corporation * (Home Security Systems													Payout on termination of company 1/05/88									$2,800			
3	Texas International Company *	X													X											
4	Claremont Associates* Lease REvenue Note			X											X											
5	(Secured by Security Pac. Nat'l Bank Bldg.)																									
6	American First Prep. Fund II *		X												X											
7	Newman & Holtzinger, PC Washington, D.C.													Salary									$120,000 - 1987 $10,000 - 1988			
8														A bonus of $25,000 will be paid to me by firm upon termination of employment.											
9	Contract with Wiley Law Publications.		X											Book Royalties									$2,493.32 - 1987 None - 1988			
10	Colorado Springs, Colroado																									

PREVIOUS EDITION USABLE * Assets of KEOGH Plan, E. F. Hutton

278-810

SF 278 (Rev. 1/87)
FPM Chapter 734
U.S. Office of Personnel Management

Form Approved
OMB No. 3209-0082

Reporting Individual's Name

Ernest C. Baynard, III

Page Number	3	Schedule B

Part I
Transactions

Incumbents and Termination Filers only: Report any purchase, sale or exchange by you, your spouse or dependent child during the reporting period of any real property, stocks, bonds, commodities futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse or your dependent child.

NONE ☐

			Type of Transaction (X)				Amount of Transaction (X)					
S or DC	Example	Identification of Assets	Purchase	Sale	Exchange	Date (Mo., Day, Yr.)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	Over $250,000
	Example	X Y Z Common	X			2/1/83		X			
1											
2											
3											
4											
5											
6											

Part II
Gifts, Reimbursements and Travel Expenses

Incumbents and Termination Filers only:
Report the source, a brief description and the value of: (1) in-kind gifts of transportation, lodging, food or entertainment received from one source totaling $250 or more unless received as personal hospitality at the donor's personal or family residence; (2) other gifts received from one source totaling $100 or more in value; and (3) cash reimbursements of $250 or more received from one source. Exclude gifts and reimbursements received by your spouse that were given totally independent of their relationship to you. **Exclude** transportation, lodging, food and reimbursements from the U.S. Government. For (1) and (2), **exclude** gifts from relatives and **exclude** gifts of $35 or less when aggregating them for the total from one source. See instructions for further exclusions.

NONE ☐

§		Source (Name and Address)	Brief Description	Value
	Example	Nat'l Assn. of Rock Collectors, NY, NY	Airline ticket, hotel room & meals incident to national conference 6/15/83	$500
	Example	Nat'l Assn. of Rock Collectors, NY, NY	Leather briefcase for retiring president	$120
1				
2				
3				
4				
5				
6				

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278-108

SF 278 (Rev. 1/87)
Filed Chapter 73d
U.S. Office of Personnel Management

Form Approved
OMB No. 3209-0002

Reporting Individual's Name
Ernest C. Baynard, III

Page Number	4	Schedule C

Part I
Liabilities

All Filers: Report liabilities over $10,000 owed to any one creditor at any time during the reporting period by you, your spouse or dependent child. Check the highest amount owed during the reporting period. Exclude a mortgage on your personal residence unless it is rented out, loans secured by automobiles, household furniture or appliances, and liabilities owed to relatives. See instructions for revolving charge accounts.

NONE ☐

		Creditor (Name and Address)	Type of Liability	Date Incurred	Interest Rate	Term if applicable	Category of Amount or Value (X)				
							$10,001 to $15,000	$15,001 to $50,000	$50,001 to $100,000	$100,001 to $250,000	Over $250,000
S or DC	Example:	First District Bank, Washington, DC John Jones, 123 J St., Washington, DC	Mortgage on rental property, Rehoboth Beach, Delaware Promissory note	1981 1979	13% 10%	25 yrs. on demand			X		
1		First American Bank, Washington, D.C.	Revolving Loan Paid Off 11/87	1975	18%	No	X				
2		Chase Bank of Maryland	Revolving Loan Paid Off 11/87	1986	16.9	Term	X				
3											
4											
5											
6											

Part II
Agreements Or Arrangements

All Filers: Report your agreements or arrangements for future employment, leaves of absence, continuation of payment by a former employer (including severance payments), or continuing participation in an employee benefit plan. See instructions regarding the reporting of negotiations for any of these arrangements or benefits.

NONE ☐

Status and Terms of any Agreement or Arrangement	Parties	Date (Mo., Yr.)
Example: Pursuant to partnership agreement, will receive capital account & partnership share calculated on service performed through 11/83	Doe Jones & Smith, Home town, USA	7/75 ptnership agmnt.
Law firm of which I am "Of Counsel" has agreed to pay me a bonus for past services upon termination of my employment with the firm - amount of $25,000 confirmed 11/87	Newman & Holtzinger, P.C. Washington, D.C.	Informal agreement of eligibility for bonus made 9/86, when I joined the firm.

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278-109

SF 278 (Rev. 1/87)
FPM Chapter 734
U.S. Office of Personnel Management

Form Approved
OMB No. 3209-0060

Reporting Individual's Name

Ernest C. Baynard, III

Page Number	5	Schedule D

Part I
Positions Held Outside U.S. Government

All Filers: Report any positions held during the applicable reporting period. Positions include but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. Exclude positions with religious, social, fraternal, or political entities or those solely of an honorary nature.

NONE ☐

Organization (Name and Address)	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
Examples: Nat'l Assn. of Rock Collectors, NY, NY	Non-profit educ	President	6/83	6/83
Doe Jones & Smith, Hometown, USA	Law firm	Partner	7/78	11/83
Newman & Holtzinger, Washington, D.C.	Law Firm	Of Counsel	9/86	Present
Natural Resources Law Section, American Bar Association	Professional	Vice-Chairman	8/86	8/87
Natural Resources Law Section, American Bar Association	Professional	Chairman-Elect	8/87	Present

Part II
Compensation in Excess Of $5000 Paid by One Source

Nominees and New Entrants only: Report sources of such compensation received by you or your business affiliation for services directly provided by you during the reporting period. This includes the names of clients and customers of any corporation, firm, partnership or other business enterprise, or any nonprofit organization, when you directly provided the services generating a fee or payment of more than $5,000. You need not report the U.S. Government as a source.

NONE ☐

Source (Name and Address)	Brief Description of Duties
Examples: Doe Jones & Smith, Hometown, USA	Legal services
Metro University (client of Doe Jones & Smith) Hometown, USA	Legal services in connection with university construction
Newman & Holtzinger, Washington, D.C.	Legal Services
Florida Power & Light Co., Miami, Florida	Legal Services
(client served while with Newman & Holtzinger) 2-29-88	

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278-1(B)

Executive Level Position Statement

Position Title: Assistant Secretary for Environment, Safety and Health

Grade: EL-IV - Presidential Appointee

The Assistant Secretary for Environment, Safety and Health is responsible for assuring conformance of the Department's activities with all applicable environmental laws and regulations so as to protect the health and safety of workers and the public; assuring that national environmental protection goals are incorporated into the formulation and implementation of energy programs, that environmental and safety concerns are identified, prioritized and addressed through corrective and remedial actions, and that areas of environmental and safety risk are reduced.

The incumbent is responsible for developing policy options for the Department on the effects of national environmental policy on U.S. energy industries and energy supply and demand and for providing liaison with other Federal agencies, such as EPA, concerning regulatory efforts and specific actions of those agencies that may have an effect upon the Department operations.

The incumbent acts as an advocate and spokesman for the Department's positions on environmental, safety and quality assurance issues; represents the Department on interagency, national and international environmental and safety committees and working groups; exercises independent review and approval of environmental impact statements prepared by the Department pursuant to the National Environmental Policy Act; exercises concurrence authority with respect to the safety related aspects of the construction and initial operating authorizations for reactors, high hazard and selected moderate hazard nuclear facilities; and monitors compliance so as to reduce areas of environmental, safety and health risks.

The Assistant Secretary receives very broad policy guidance from the Secretary of Energy. Work is reviewed in terms of the effectiveness of the functions directed and their contribution to the overall accomplishment of the mission of the Department.

Department of Energy
Washington, DC 20585

The Honorable J. Bennett Johnston
Chairman, Committee on Energy
and Natural Resources
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

Please be advised that, pursuant to section 201(b) of the Ethics in Government Act of 1978, as amended, I have informed the appropriate ethics officials that the information required by section 202(a)(1)(A) with respect to income and honoraria is current as of Thursday, March 10, 1988. This date is within five days prior to the date of the first hearing to consider my nomination.

Sincerely yours,

C. Anson Franklin

District of Columbia ss

Subscribed and sworn to before me this 10th day of March, 1988.

Notary Public
My Commission Expires November 14, 1989

cc: The Honorable James A. McClure

UNITED STATES SENATE
COMMITTEE ON ENERGY AND NATURAL RESOURCES
STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name: Franklin (LAST) C. (FIRST) Anson (OTHER)

Position to which nominated: Asst Secretary for Congressional, Intergovernmental, and Public Affairs

Date of nomination: December 21, 1987

Date of birth: 17 (DAY) Apr (MONTH) 1947 (YEAR)

Place of birth: Richmond, Virginia

Marital status: Married

Full name of spouse: Zofia Jadwiga Smardz

Name and ages of children: Andrew Charles Franklin 6 months

Education:

Institution	Dates attended	Degrees received	Dates of degrees
University of Virginia	1965-69	BA	June 1969

Employment record: List below all positions held since college, including the title and description of job, name of employer, location, and dates.

Acting Assistant Secretary for Congressional, Intergovernmental, and Public Affairs, Dept of Energy; Oct 87-Present

Principal Deputy Asst Secty for Congressional, Intergovernmental, and Public Affairs, Dept of Energy; Dec 86-Present

Director of Communications, Dept of Energy; Mar 85-Dec 86

Assistant Press Secretary, White House; Apr 82-Mar 85

Campaign Manager, Coleman for Governor; Richmond, VA; Jan-Nov 81

Dir of Administration, Ofc of VA Atty Gen; Richmond, VA; Jan 78-Jan 81

Campaign Manager, Coleman for Atty Gen; Richmond, VA; Feb-Dec 77

Campaign Manager, Steelman for Senate; Dallas, TX; Jan-Nov 76

Dist Rep, Congressman Steelman, Dallas, TX; Mar 72-Dec 75

Writer, ACTION; Washington, DC; Jan-Feb 74

Consultant, Ofc of SpAsst to Secty of HUD; Washington, DC May-Dec 73

Dir, Telephone Canvass, TX Comm to Re-elect President; Austin, TX; Aug-Nov 72

Employment record—Continued

Press Secty, Congressman Archer; Washington, DC; Jan 71-Jul 72

Asst Press Secretary, George Bush for Senate Comm; May-Nov 70
Houston, TX;

Press & Travel Aide, Obenshain for Atty Gen; Richmond, VA; Jun-Nov 69

Military service: Describe any military service not listed above, including dates, rank, and type of discharge.

US Army Reserve 1974-1975 SP 4 Honorable

Virginia Army Reserve National Guard 1969-1974

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships, and any other special recognitions for outstanding service or achievement.

1965 University of Virginia - Academic Scholarship

1968 Sigma Delta Chi, college journalism society

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations.

Organization	Dates	Office held (if any)
Boulevard Commission	1979-81	Chairman
(neighborhood commission, sponsored by City of Richmond, VA)		

Published writings:

List the titles, publishers and dates of any books, articles, or reports you have written.

Various news articles: Cavalier Daily, Univ of VA, 1965-68

Various news articles: Richmond Times Dispatch 1967-68

Future employment relationships:

1. Will you sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate?

Currently employed by Department of Energy

2. Do you have any plans after completing government service to resume employment, affiliation or practice with your current or any previous employer, business firm, association or organization?

No

3. Has a commitment for employment after you leave government been made to you by anyone? Have you made any such commitment?

No; no

4. (a) If you have been appointed for a fixed term, do you expect to serve the full term?

Not applicable

Future employment relationships—Continued

(b) If you have been appointed for an indefinite term, are there any known limitations on your willingness or ability to serve for the foreseeable future?

None

Financial statement:

1. Attach a copy of your Executive Personnel Financial Disclosure Report (SF 278).

2. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, uncompleted contracts and other future benefits which you expect to derive from previous business relationships, professional services and firm memberships or from former employers, clients, and customers. Amounts should be indicated by the categories established for reporting income on Form SF 278, Schedule A.

None

3. Are you currently a party to any legal action? If so, describe its nature and status.

No

4. Have you ever declared bankruptcy? If so, describe the circumstances.

No

5. Have you filed a Federal income tax return for each of the last 10 years? If not, please explain.

Yes

6. Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit?

No

Potential conflicts of interest:

1. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

None

2. Describe any business relationship, dealing or financial transaction (other than taxpaying) that you have had during the last 10 years with the Federal Government, whether for yourself or relatives, on behalf of a client, or acting as an agent, which might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

None

3. Describe any lobbying activity which you have performed during the past 10 years with respect to legislative or administrative actions at the Federal, State or local level.

As Director of Administration for the Virginia Attorney General, discussed issues relevant to the State of Virginia with members of the Virginia Congressional delegation and the U.S. Department of Education.

4. Have you been informed of the conflict of interest laws and regulations applicable to the position to which you have been nominated?

Yes

Potential conflicts of interest—Continued

5. Explain how you will resolve any potential conflict of interest that may be disclosed by your responses to this form and the attachments thereto. Attach a statement of the appropriate agency ethics official explaining the applicable laws or regulations, any potential conflicts, and the action required to resolve such conflicts.

See answer to # 6 below.

6. Explain how you will resolve any potential conflicts of interest that may arise in the future if you are confirmed for the position for which you have been nominated.

I will avoid participation in any particular matter, the outcome of which could have a direct and predictable effect on any entity in which I have a financial interest. I will also continue to seek and comply with the advice of the Office of the General Counsel of the Department of Energy.

Public disclosure: Do you have any objections to this form and the attachments thereto being made public?

No

AFFIDAVIT

DISTRICT OF COLUMBIA) ss

I, C. Anson Franklin, being duly sworn, hereby state that I have read the foregoing Statement for Completion by Presidential Nominees, including all attachments thereto, and that the information provided therein is, to the best of my knowledge and belief, current, accurate, and complete.

C. Anson Franklin
(Signature of Nominee)

Subscribed and sworn to before me this 23rd day of February, 19 88

Cheryl D Greenaton
Notary Public

My Commission Expires November 14, 1989

Form approved by the Committee February 5, 1985.

U.S. GOVERNMENT PRINTING OFFICE: 1987—87-074

SF 278 Rev. 1/91
FPM Chapter 734
U.S. Office of Personnel Management

Financial Disclosure Report

Form Approved
OMB No. 3209-0006

Reporting Status (Check Appropriate Box)		Agency Use Only	OGE Use Only	Date of Appointment, Candidacy, Election or Nomination (Mo., Day, Yr.)	Termination Date (If Applicable) (Month, Day, Year)
☐ Incumbent	☒ New Entrant, Nominee, or Candidate ☐ Termination Filer				
Reporting Individual's Name	Last Name: FRANKLIN	First Name and Middle Initial: C. ANSON			
Position for Which Filing	Title of Position: Assistant Secretary, Congressional, Intergovernmental and	Department or Agency (If Applicable): Department of Energy Public Affairs			
Location of Present Office	Address (Number, Street, City, State and ZIP Code): 1000 Independence Avenue, S.W. Washington, DC 20585		Telephone No. (Include Area Code): 202 586-5450		
Position(s) Held With the Federal Government During the Preceding 12 Months (If Not Same as Above)	Title of Position(s) and Date(s) Held: Director of Communication and Principal Deputy Assistant Secretary for Congressional, Intergovernmental and Pub.Affairs				
Presidential Nominees Subject to Senate Confirmation	Name of Congressional Committee Considering Nomination: Senate Energy and Natural Resources	Do You Intend to Create a Qualified Diversified Trust? ☐ Yes ☐ No			

Certification	Signature of Reporting Individual	Date (Month, Day, Year)
I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge and belief.	C Anson Franklin	12-7-87
Other Review (If desired by agency)	Signature of Other Reviewer	Date (Month, Day, Year)
Agency Ethics Official's Opinion	Signature of Designated Agency Ethics Official/Reviewing Official	Date (Month, Day, Year)
The information contained in this report discloses no conflict of interest under applicable laws and regulations.	Ralph D. Jaccodine	1/6/88
Office of Government Ethics Use Only	Signature	Date (Month, Day, Year)

Comments of Reviewing Officials (If additional space is required, use the reverse side of this sheet)

*/Supplemental information supplied by Mr. Franklin by telephone 12-16-87. Wife's free lance income split between Baltimore Sun and Washington Post for book reviews and travel articles. KDK

(Check box if comments are continued on the reverse side)

Reporting Periods

Incumbents: Complete Schedules A, B, C, and Part I of D. The reporting period is the preceding calendar year except for Part II of Schedule C and Part I of Schedule D where you must also include any positions held or agreements or arrangements made from the beginning of the filing year until the date you file.

Termination Filers: Complete Schedules A, B, C, and Part I of D. The reporting period begins at the end of the period covered by your previous filing and ends at the date of termination.

Nominees, New Entrants and Candidates for President and Vice President: Complete Schedules A (except for BLOCK D), C, and D. (Candidates do not file Part II of Schedule D.

- **Schedule A**—The reporting period for income (BLOCK C) is the preceding calendar year and the current calendar year up to the date of filing. Value assets in BLOCK B as of any date you choose that is within 31 days of the date of filing.
- **Schedule C, Part I (Liabilities)**—The reporting period is the preceding calendar year and the current calendar year up to any date you choose that is within 31 days of the date of filing.
- **Schedule C, Part II (Agreements and Arrangements)**—Show any agreements or arrangements as of the date of filing.
- **Schedule D**—The reporting period is the preceding two calendar years and the current calendar year up to the date of filing.

88-1884-0-1881-3

SF 278 (Rev. 1/90)
Part I Chapter 73of
U.S. Office of Personal Management

Form Approved
OMB No. 3209-0002

Reporting Individual's Name	Assets and Income	Page Number	2	Schedule A
C. Anson Franklin				

All Filers: In BLOCK A report (a) the identity of each asset held for the production of income at the close of the reporting period which had a fair market value exceeding $1000 and (b) any other asset or source of income which generated over $100 in income during the reporting period. This includes but is not limited to employers, stocks, bonds, tax shelters, bank accounts, real property, mutual funds, pensions, IRA assets, assets of certain trusts, commodities futures, personal businesses and partnership interests. Exclude your personal residence unless you rent it out. See instructions for rules on bank accounts and complex holdings.

All Filers: In BLOCK B report the value of each asset listed in BLOCK A which had a fair market value exceeding $1000 at the close of the reporting period.

All Filers: In BLOCK C report the type and amount of income exceeding $100 received from the assets and other sources of income listed in BLOCK A. You must report the actual amount of any income not of a type specifically noted below. You need not report the actual amount of your spouse's earned income, only the source in BLOCK A. You may not check "qualified trust" unless you have a blind trust which has been specifically approved by the Office of Government Ethics. If you, your spouse or dependent child are the beneficiary of a trust which no one of you created and has no knowledge of the assets, refer to the instructions to see if it qualifies as an "excepted trust." If "none" (or less than $101) is checked under Category of Amount of Income, no other entries need be made in BLOCK C for that item.

Incumbents and Termination Filers only: In BLOCK D, for any real property, stocks, bonds, commodities futures and other securities listed in BLOCK A, did you purchase, sell, or exchange the item during the reporting period for a value that exceeds $1000?

BLOCK A Assets & Income Sources	BLOCK B Valuation of Assets	BLOCK C Income	BLOCK D Transactions Test

Identify each asset and income source of yours, your spouse(S) and your dependent child (DC).

NONE ☐

S or DC	Examples	Category of Value (X)							Type of Income (X)						Other (Specify Type)	Category of Amount of Income (X)								Actual Amount Only if "Other" Specified	Date (Mo., Day, Yr.) Only if Honoraria	BLOCK D: If yes, complete Schd. B Part I for those assets including those sold for $1000.	
		None (or less than $1001)	$1,001-$15,000	$15,001-$50,000	$50,001-$100,000	$100,001-$250,000	Over $250,000	Dividends	Rent	Interest	Capital Gains	Excepted Trust	Qualified Trust		None (or less than $101)	$101-$1,000	$1,001-$2,500	$2,501-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	Over $100,000			YES	NO
	XYZ Common			X				X									X									
	Doe Jones & Smith, Hometown, USA		X											ptnrshp income									$80,000			X
1	1007 Constitution Ave. NE. Washington DC Rental property (wife)					X			X											X						
2	Free lance writing	X												writing fees		X										
3	IRA 1st Am Bank Wash. D.C.		X							X						X										
4	Savings Accounts			X						X						X										
5	1st Am Bank Wash. DC																									
6																										
7																										
8																										
9																										
10																										

SF 278 (Rev. 1/87)
5 Pkt Chapter 73A
U.S. Office of Personnel Management

Form Approved
OMB No. 3209-0001

Reporting Individual's Name
C. Anson Franklin

Page Number	3	Schedule B

Part I
Transactions

Incumbents and Termination Filers only: Report any purchase, sale or exchange by you, your spouse or dependent child during the reporting period of any real property, stocks, bonds, commodities futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse or your dependent child.

NONE [x]

S or DC	Example	Identification of Assets	Type of Transaction (X) Purchase	Sale	Exchange	Date (Mo., Day, Yr.)	Amount of Transaction (X) $1,001-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	$100,001-$250,000	Over $250,000
1		X Y Z Common	X			2/1/83			X			
2												
3												
4												
5												
6												

Part II
Gifts, Reimbursements and Travel Expenses

Incumbents and Termination Filers only: Report the source, a brief description and the value of: (1) in-kind gifts of transportation, lodging, food or entertainment received from one source totaling $250 or more unless received as personal hospitality at the donor's personal or family residence; (2) other gifts received from one source totaling $100 or more in value; and (3) cash reimbursements of $250 or more received from one source. Exclude gifts and reimbursements received by your spouse that were given totally independent of their relationship to you. Exclude transportation, lodging, food and reimbursements from the U.S. Government. For (1) and (2), exclude gifts from relatives and exclude gifts of $35 or less when aggregating them for the total from one source. See instructions for further exclusions.

NONE [x]

S	Example	Source (Name and Address)	Brief Description	Value
1		Nat'l Assn. of Rock Collectors, NY, NY	Airline ticket, hotel room & meals incident to national conference 8/15/83	$600.
2		Nat'l Assn. of Rock Collectors, NY, NY	Leather briefcase for retiring president	$125
3				
4				
5				
6				

PREVIOUS EDITION IS USABLE

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SF 278 Rev. 1/87
Filer Chapter 7M
U.S. Office of Personnel Management

Form Approved
OMB No. 3209-0006

Reporting Individual's Name

C. Anson Franklin

Page Number	4	Schedule	D

Part I
Liabilities

All Filers: Report liabilities over $10,000 owed to any one creditor at any time during the reporting period by you, your spouse or dependent child. Check the highest amount owed during the reporting period. Exclude a mortgage on your personal residence unless it is rented out, loans secured by automobiles, household furniture or appliances, and liabilities owed to relatives. See instructions for revolving charge accounts.

NONE ☐

		Creditor (Name and Address)	Type of Liability	Date Incurred	Interest Rate	Term if applicable	Category of Amount or Value (X) $10,001 to $15,000	$15,001 to $50,000	$50,001 to $100,000	$100,001 to $250,000	Over $250,000
S or DC	Examples	First District Bank, Washington, DC John Jones, 123 J St., Washington, DC	Mortgage on rental property, Rehoboth Beach, Delaware Promissory note	1981 1979	13% 10%	25 yrs. on demand	 X		X		
1		Dominion Bankshares Mortgage Corporation	Mortgage on rental property	1984	7.5%	30 ARM				X	
2		Fairfax, VA	1007 Constitution Av, NE Washington, D. C.								
3											
4											
5											
6											

Part II
Agreements Or Arrangements

All Filers: Report your agreements or arrangements for future employment, leaves of absence, continuation of payment by a former employer (including severance payments), or continuing participation in an employee benefit plan. See instructions regarding the reporting of negotiations for any of these arrangements or benefits.

NONE ☒

	Status and Terms of any Agreement or Arrangement	Parties	Date (Mo., Yr.)
Example	Pursuant to partnership agreement, will receive capital account & partnership share calculated on service performed through 11/83	Doe Jones & Smith, Home town, USA	7/78 partnership agmnt.

SF 278 (Rev. 1/87)
5 CFR Chapter XCVI
U.S. Office of Personnel Management

Reporting Individual's Name
C. Anson Franklin

Form Approved
OMB No. 3209-0002

Page Number	5	Schedule D

Part I
Positions Held Outside U.S. Government

All Filers: Report any positions held during the applicable reporting period. Positions include but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. Exclude positions with religious, social, fraternal, or political entities or those solely of an honorary nature.

NONE [X]

	Organization (Name and Address)	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
Examples	Nat'l Assn. of Rock Collectors, NY, NY	Non-profit education	President	6/83	6/83
	Doe Jones & Smith, Hometown, USA	Law firm	Partner	7/75	11/83

Part II
Compensation in Excess Of $5000 Paid by One Source

Nominees and New Entrants only: Report sources of such compensation received by you or your business affiliation for services directly provided by you during the reporting period. This includes the names of clients and customers of any corporation, firm, partnership or other business enterprise, or any nonprofit organization, when you directly provided the services generating a fee or payment of more than $5,000. You need not report the U.S. Government as a source.

NONE [X]

	Source (Name and Address)	Brief Description of Duties
Examples	Doe Jones & Smith, Hometown, USA	Legal services
	Metro University (client of Doe Jones & Smith) Hometown, USA	Legal services in connection with university construction

RESUME

C. ANSON FRANKLIN

2920 Olive Street, N.W.
Washington, D. C. 20007
202 338-4174
Office: 202 586-5450

PROFESSIONAL EXPERIENCE

Eighteen years in government and politics, specializing in management and press relations. Three years in the White House as spokesman for the President, three years as Director of Administration for the Office of Attorney General of Virginia. Campaign manager for three statewide campaigns. Nominated by the President to be Assistant Secretary of Energy.

PERSONAL

Born April 17, 1947, in Richmond, Virginia
Military: Army National Guard, 1969-1975
Married to Zofia Smardz; one son, Andrew

EDUCATION

University of Virginia. BA in Foreign Affairs, 1969
Dean's List. City Editor, The Cavalier Daily.

EMPLOYMENT HISTORY

ASSISTANT SECRETARY OF ENERGY (ACTING), CONGRESSIONAL, INTERGOVERNMENTAL AND PUBLIC AFFAIRS, October 1987 to Present.

Directs the Department's legislative and public affairs agenda, including liaison with Members of Congress, state and local officials, industry groups and news media. Nominated by the President to be Assistant Secretary on December 21, 1987. Nomination pending before U. S. Senate.

PRINCIPAL DEPUTY ASSISTANT SECRETARY FOR CONGRESSIONAL, INTERGOVERNMENTAL AND PUBLIC AFFAIRS, December 1986 to October 1987.

DIRECTOR OF COMMUNICATIONS, Department of Energy March 1985 to December 1986.

Responsible for Department's public affairs policy and planning.

ASSISTANT PRESS SECRETARY, The White House
April 1982 to March 1985.

Press spokesman for the President. Assisted Larry Speakes, principal Deputy Press Secretary, in press guidance on domestic policy and responded to inquiries from the White House press corps and other correspondents.

CAMPAIGN MANAGER, Marshall Coleman for Governor Committee, Richmond, Virginia. January to November 1981.

On behalf of Republican gubernatorial candidate, directed 39 staff members working in five sections: press, research, scheduling, field organization and fundraising. Acted as spokesman for the candidate.

DIRECTOR OF ADMINISTRATION, Office of Attorney General of Virginia. (Richmond) January 1978 to January 1981.

Administered the state's legal office during term of Attorney General Marshall Coleman. Included budget preparation and control, personnel and public affairs. Office employed 83 attorneys plus support staff.

CAMPAIGN MANAGER, Coleman for Attorney General Committee, Richmond, Virginia. February to December 1977.

Directed successful campaigns for tightly contested convention nomination and for general election.

CAMPAIGN MANAGER, Steelman for Senate, Dallas, Texas. January to November 1976.

Directed primary and general election campaigns for U.S. Rep Alan Steelman, Republican candidate for U.S. Senator.

DISTRICT REPRESENTATIVE, Congressman Alan Steelman, Dallas, Texas. March 1974 to December 1975.

Directed staff in district office; responsible for casework, constituent relations and local press contacts.

WRITER, ACTION, Office of Recruitment and Communications, Washington, D. C. January and February 1974.

CONSULTANT, Office of the Special Assistant to the Secretary of Housing and Urban Development, Washington, D. C. May to December 1973.

DIRECTOR OF THE TELEPHONE CANVASS, Texas Committee to Re-elect the President, Austin, Texas. August to November 1972.

PRESS SECRETARY, Congressman Bill Archer (R-TX), Washington, D. C. January 1971 to July 1972.

ASSISTANT PRESS SECRETARY, George Bush for U. S. Senate Committee, Houston, Texas. May to November 1970.

PRESS AND TRAVEL AIDE, Richard Obenshain for Attorney General, Richmond, Virginia. June to November 1969.

INTERN REPORTER, Richmond Times Dispatch, Richmond, Virginia. Summers of 1967 and 1968.

DOE F 1325.8
(12-84)

United States Government | Department of Energy

memorandum

DATE: JAN 06 1988

REPLY TO ATTN OF: GC-43

SUBJECT: Statement of Agency Ethics Official for Senate Committee

TO: C. Anson Franklin

This memorandum is intended to serve as a statement from the designated agency ethics official for this Department, as required by question 5, page 6, of the Statement for Completion by Presidential Nominees that you are submitting to the United States Senate Committee on Energy and Natural Resources in connection with your nomination for the position of Assistant Secretary for Congressional, Intergovernmental, and Public Affairs. I have reviewed your Standard Form 278 (Financial Disclosure Report) dated December 7, 1987, 1/ and have certified that the information contained therein discloses no conflict of interest under applicable laws and regulations. 2/

As a supervisory employee of the Department, you are prohibited by section 602(a) of the DOE Organization Act (Pub. L. 95-91) from knowingly receiving compensation from, holding any official relation with, or having any pecuniary interest in any energy concern. The term "energy concern" is defined in section 601(b) of the Act as any entity "significantly engaged in the business" of any of a variety of activities related to energy production, distribution, sale, or research and development, or any entity significantly engaged in such research and development pursuant to a DOE-funded program irrespective of whether it otherwise engages in such business. The term also includes any entity holding an interest in property from which an energy resource is commercially produced or obtained.

1/ You are not required to submit a Form DOE-460 (Report on Prior Employment) at this time since you submitted such a form in March 1985 in connection with your appointment as Director, Office of Communications. The latter report received a conflict of interest clearance from my office at the time it was filed.

2/ Section 201(b) of the Ethics in Government Act (Pub. L. 95-521) requires the income and honoraria information on your form to be updated within five days before the date of the Committee hearing to consider your nomination.

In addition, section 208, title 18, United States Code, prohibits you from participating personally and substantially, as a Government employee, in any particular matter in which, to your knowledge, you have or your spouse, minor child, partner, organization in which you are serving as officer, director, trustee, partner, or employee, or any person or organization with whom you are negotiating or have any arrangement concerning prospective employment has, a financial interest. Accordingly, you should avoid participation in any particular matter the outcome of which could have a direct and predictable effect on any such financial interests.

Please let me know if I can be of further assistance.

Ralph D. Goldenberg
Assistant General Counsel
for General Law

Official File

United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

MAR 9 1988

The Honorable J. Bennett Johnston
Chairman, Committee on Energy and
Natural Resources
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

As required by 5 CFR §734.604(d), I hereby certify and report that the information required by 5 U.S.C. App. §202(a)(1)(A) with respect to outside earned income and honoraria, as set forth in my Financial Disclosure Report (SF-278) dated December 10, 1987, is current as of March 9, 1988. As required, I submit this information as an amendment to my December 10, 1987 financial disclosure report. I further certify that I have transmitted a copy of this amendment and certification to the Director, Office of Government Ethics.

T S Ary
T S ARY

City of Washington)
)ss
District of Columbia)

Subscribed and sworn to before me on this 9th day of March 1988.

Kathleen A. O'Neil
Notary Public

My commission expires: April 14, 1989

cc:
The Honorable James A. McClure

UNITED STATES SENATE
COMMITTEE ON ENERGY AND NATURAL RESOURCES
STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name: Ary (LAST) T (FIRST) S (OTHER)

Position to which nominated: Director, U.S. Bureau of Mines

Date of nomination: December 3, 1987

Date of birth: 30 (DAY) 3 (MONTH) 25 (YEAR)

Place of birth: Saline County - Eldorado, Illinois

Marital status: Married

Full name of spouse: Martha Metz Ary

Name and ages of children: David Metz Ary — June 10, 1947 — 40 years old

Education:

Institution	Dates attended	Degrees received	Dates of degrees
George Washington Univ.	9/42 - 12/42	No degree	
Evansville College	1/43 - 7/43	No degree	
Univ. of South Carolina	7/43 - 5/43	No degree	U.S. Naval Cadet
Murray State Teachers (Kentucky)	5/44 - 8/44	No degree	U.S. Naval Cadet
Univ. of Iowa	8/44 - 3/45	No degree	U.S. Naval Cadet
North Carolina State Univ.	7/47 - 10/47	No degree	
Stanford University	10/47 - 6/51	B.S. Mineral Science	1951

Employment record:

List below all positions held since college, including the title and description of job, name of employer, location, and dates.

Kerr-McGee Minerals Exploration, Oklahoma City - President 1/80-4/87
Kerr-McGee Resource Corporation - President & Director 1/80-4/87
Utah International Inc., San Francisco - Dir. of Development 1/75-1/80
Utah Exploration Corp., San Francisco - Vice President 1/75-1/80
Union Carbide Corp. - Many positions 10/53-12/74
Rifle, CO - Mining Engineer 1953-1955
Grand Junction, CO - Domestic Exploration Manager 1955-1960
New York - Corporate Land Manager 1960-1967
Union Carbide Exploration - Vice President 1967-1974
Leadville Lead Co., Fairplay, CO - Consultant 1953
Anaconda Copper Mining Co., Butte, MT - Mining Engineer Trainee
Asst. Mine Supt. 1951-1953

Employment record—Continued

Military service: Describe any military service not listed above, including dates, rank, and type of discharge.

July 1942 to December 1947 Naval Reserve 1947 through 1952
U. S. Navy Pilot (Cadet/Ensign/Lt.[J.G.])

Honorable Discharge

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships, and any other special recognitions for outstanding service or achievement.

Academic Scholorship - Stanford University

National Athletic Honor Society

Central High School Hall of Fame

Various civic awards for local activities

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations.

Organization	Dates	Office held (if any)
Rotary International	1977 to present	Director/Sgt. at Arms/ Secretary
American Mining Congress	1953 to 9/1/87	Chairman of several committees, Mineral Availability Public Lands - Indian Water Subcmte. Marine Minerals Cmte. - Coal Leasing
National Association of Manufacturers	1970 to 9/1/87	Chairman, Nonfuel Mins. Chairman, Natural Resource

Memberships (Cont.)

American Indian Engineering Society	1976-1981	Director
American Institute of Mining Engineers	1947-1977	Chairman, Rocky Mtn. Section
National Ski Patrol	1960-1965	Chairman, Southern Rocky Mtr Division
American Institute of Professional Geologists	1970 to present	
International Atomic Energy Agency		Advisory Panel
National Strategic Materials and Minerals Program Advisory Cmte.	1985 to present	
Advisory Cmte. of State Department Task Force for U.N. Law of Sea Convention	1972-1975	

Active as Cmte. Chairman or member of following State Mining Associations:

Colorado	California
Wyoming	Montana
Utah	New Mexico
Arizona	
Northwest	

San Francisco World Affairs Council	1975-1980	Chairman, Africa Section
Presbyterian Church		Elder/Trustee/Member of General Assembly Cmte. on Call
Oklahoma Crippled Children Assoc. Easter Seals	1982 to present	Chairman
Stanford University		Trustees Alumni Affairs
Oklahoma Art Center		
Lake Hurst Homeowners Assoc.	1980 to present	Secretary/Treasurer
Oklahoma City Rotary Foundation	1985 to present	Trustee/Director
National Assoc. of Manufacturers	1982 to present	State Director Director at Large

Published writings:

List the titles, publishers and dates of any books, articles, or reports you have written.

I have written numerous confidential reports. I have testified before many congressional committees as a representative of the American Mining Congress, American Institute of Professional Geologists, National Association of Manufacturers, various State mining associations, Union Carbide Corporation, Utah International, and Kerr-McGee Corporation. I do not have available the dates of the above. Several of the papers have been published. I have spoken at many meetings about the mineral industry including Industry Associations, World Affairs Councils, Rotary, and other civic clubs, Education Association meetings and National Business Clubs. Most papers have been published in the various journals. I do not have available the dates.

Future employment relationships:

1. Will you sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate?

I retired from Kerr-McGee, 3/31/87.

2. Do you have any plans after completing government service to resume employment, affiliation or practice with your current or any previous employer, business firm, association or organization?

No

3. Has a commitment for employment after you leave government been made to you by anyone? Have you made any such commitment?

No. No.

4. (a) If you have been appointed for a fixed term, do you expect to serve the full term?

N/A

Future employment relationships--Continued

(b) If you have been appointed for an indefinite term, are there any known limitations on your willingness or ability to serve for the foreseeable future?

No

Financial statement:

1. Attach a copy of your Executive Personnel Financial Disclosure Report (SF 278).

2. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, uncompleted contracts and other future benefits which you expect to derive from previous business relationships, professional services and firm memberships or from former employers, clients, and customers. Amounts should be indicated by the categories established for reporting income on Form SF 278, Schedule A.

Deferred income - Kerr-McGee $30,000 - Jan 1988
$30,000 - Jan 1989
Stock Option (10,000 shares) - Kerr-McGee Terminates 12/89
copies enclosed
Retired Program, Vested - Kerr-McGee - Mellon Bank $10,000/yr
Union Carbide $ 6,000/yr
See Form SF 278

3. Are you currently a party to any legal action? If so, describe its nature and status.

No

4. Have you ever declared bankruptcy? If so, describe the circumstances.

No

5. Have you filed a Federal income tax return for each of the last 10 years? If not, please explain.

Yes

6. Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit?

Yes, several times. Each time I have received additional refunds.

I have recently settled a problem with the IRS where returns had been lost or misplaced.

Potential conflicts of interest:

1. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

Kerr-McGee stock in an IRA (?).

2. Describe any business relationship, dealing or financial transaction (other than taxpaying) that you have had during the last 10 years with the Federal Government, whether for yourself or relatives, on behalf of a client, or acting as an agent, which might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

None.

3. Describe any lobbying activity which you have performed during the past 10 years with respect to legislative or administrative actions at the Federal, State or local level.

Activities with Industry Associations while testifying at Committee hearings. I have not acted as a lobbyist.

4. Have you been informed of the conflict of interest laws and regulations applicable to the position to which you have been nominated?

Yes.

Potential conflicts of interest—Continued

5. Explain how you will resolve any potential conflict of interest that may be disclosed by your responses to this form and the attachments thereto. Attach a statement of the appropriate agency ethics official explaining the applicable laws or regulations, any potential conflicts, and the action required to resolve such conflicts.

I have agreed to take whatever divesture or recusal actions necessary to assume the position of Director of the U. S. Bureau of Mines. I have consulted with the Department of the Interior's Ethics Official concerning the actions which may be necessary.

6. Explain how you will resolve any potential conflicts of interest that may arise in the future if you are confirmed for the position for which you have been nominated.

I will follow the advice of the Department of the Interior's designated Ethics Officer.

Public disclosure: Do you have any objections to this form and the attachments thereto being made public?

No.

AFFIDAVIT

I, T S Ary) ss being duly sworn, hereby state that I have read the foregoing Statement for Completion by Presidential Nominees, including all attachments thereto, and that the information provided therein is, to the best of my knowledge and belief, current, accurate, and complete.

T S Ary
(Signature of Nominee)

Subscribed and sworn to before me this 11th day of December, 19 87

Jean L. Eckert
Notary Public

My Commission Expires April 30, 1988

Form approved by the Committee February 5, 1985.

SF 278 (Rev. 1/86)
FPM Chapter 734
U.S. Office of Personnel Management

Financial Disclosure Report

Form Approved
OMB No. 3209-0002

Reporting Status (Check Appropriate Box)		Agency Use Only	OGE Use Only	Date of Appointment, Candidacy, Election or Nomination (Mo., Day, Yr.)	Termination Date (If Applicable) (Month, Day, Year)
☐ Incumbent	☒ New Entrant, Nominee, or Candidate ☐ Termination Filer	★ DEC 10 1987 ★ DEPT OF THE INTERIOR ETHICS OFFICE			
Reporting Individual's Name	Last Name: Ary	First Name and Middle Initial: T (only) S (only)			
Position for Which Filing	Title of Position: Director, Bureau of Mines	Department or Agency (If Applicable): U.S. Department of the Interior			
Location of Present Office	Address (Number, Street, City, State and ZIP Code): 2916 Drakestone Avenue, Oklahoma City, OK 73120	Telephone No. (Include Area Code): (405) 840-3546			
Position(s) Held With the Federal Government During the Preceding 12 Months (If Not Same as Above)	Title of Position(s) and Date(s) Held: None				

Presidential Nominees Subject to Senate Confirmation	Name of Congressional Committee Considering Nomination	Do You Intend to Create a Qualified Diversified Trust?
	Senate Energy & Natural Resources	☐ Yes ☒ No

Certification	Signature of Reporting Individual	Date (Month, Day, Year)
I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge and belief.	T Ary	12-10-87
Other Review (If desired by agency)	Signature of Other Reviewer	Date (Month, Day, Year)
Agency Ethics Official's Opinion	Signature of Designated Agency Ethics Official/Reviewing Official	Date (Month, Day, Year)
The information contained in this report discloses no conflict of interest under applicable laws and regulations.	Gabriele J. Paone Gabriele J. Paone (acting) Designated Agency Ethics Official	DEC 11 1987
Office of Government Ethics Use Only	Signature	Date (Month, Day, Year)

Reporting Periods

Incumbents: Complete Schedules A, B, C, and Part I of D. The reporting period is the preceding calendar year except for Part II of Schedule C and Part I of Schedule D where you must also include any positions held or agreements or arrangements made from the beginning of the filing year until the date you file.

Termination Filers: Complete Schedules A, B, C, and Part I of D. The reporting period begins at the end of the period covered by your previous filing and ends at the date of termination.

Nominees, New Entrants and Candidates for President and Vice President: Complete Schedules A, C, and D. (Candidates do not file Part II of Schedule D.)

- **Schedule A**—The reporting period for Income (BLOCK C) and Transactions Test (BLOCK D) is the preceding calendar year and the current calendar year up to the date of filing. Value assets in BLOCK B as of any date you choose that is within 31 days of the date of filing.
- **Schedule C, Part I** (Liabilities)—The reporting period is the preceding calendar year and the current calendar year up to any date you choose that is within 31 days of the date of filing.
- **Schedule C, Part II** (Agreements and Arrangements)—Show any agreements or arrangements as of the date of filing.
- **Schedule D**—The reporting period is the preceding **two** calendar years and the current calendar year up to the date of filing.

Comments of Reviewing Officials (If additional space is required, use the reverse side of this sheet)

Mr. Ary's interest in the following organizations has been determined to be appropriate for his position: Conseco Inc. (Life insurance holding co.); Jones Intercable Inv. (CATV service co.); Newport Corp. (Laser optics co.); Northern Calif. Power (public utility); General Electric Co. (electric appliances/components); Pic'n'Sav Co. (merchandise retail stores); So. Ind. Gas & Electric Co. (public Utility co.); Bristol Meyers Co. (toiletries/drug co.); Permian Basin Royalty Trust (royalty trust), and San Juan Basin Royalty Trust (royalty trust).

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(Check box if comments are continued on the reverse side) ☐

NSN 7540-01-070-8444

SF 278 (Rev. 1/87)
FPM Chapter 735
U.S. Office of Personnel Management

Form Approved
OMB No. 3209-0001

Reporting Individual's Name	Assets and income	Page Number	Schedule
Fry, T S		2	A

DEC 10 1987

All Filers: In BLOCK A report (a) the identity of each asset held for the production of income at the close of the reporting period which had a fair market value exceeding $1000 and (b) any other asset or source of income which generated over $100 in income during the reporting period. This includes but is not limited to employers, stocks, bonds, tax shelters, bank accounts, real property, mutual funds, pensions, IRA assets, assets of certain trusts, commodities futures, personal businesses and partnership interests. **Exclude** your personal residence unless you rent it out. See instructions for rules on bank accounts and complex holdings.

All Filers: In BLOCK B report the value of each asset listed in BLOCK A which had a fair market value exceeding $1000 at the close of the reporting period.

All Filers: In BLOCK C report the type and amount of income exceeding $100 received from the assets and other sources of income listed in BLOCK A. You must report the **actual amount** of any income not of a type specifically noted below. You need not report the actual amount of your spouse's earned income, only the source in BLOCK A. You may not check "qualified trust" unless you have a blind trust which has been specifically approved by the Office of Government Ethics. If you, your spouse or dependent child are the beneficiary of a trust which no one of you created and has no knowledge of the assets, refer to the instructions to see if it qualifies as an "excepted trust." If "none" (or less than $101) is checked under Category of Amount of Income, no other entries need be made in BLOCK C for that item.

Incumbents and Termination Filers only: In BLOCK D, for any real property, stocks, bonds, commodities futures and other securities listed in BLOCK A, did you purchase, sell, or exchange the item during the reporting period for a value that exceeds $1000?

BLOCK A Assets & Income Sources		BLOCK B Valuation of Assets								BLOCK C Income															BLOCK D Transactions Test	
Identify each asset and income source of yours, your spouse(S) and your dependent child (DC) NONE ☐		Category of Value (X)								Type of Income (X)							Category of Amount of Income (X)										If yes, complete Schd. B Part I for those assets including those sold for a loss
S or DC		None (or less than $1001)	$1,001 $5,000	$5,001 $15,000	$15,001 $50,000	$50,001 $100,000	$100,001 $250,000	Over $250,000	Dividends	Rent	Interest	Capital Gains	Excepted Trust	Qualified Trust	Other (Specify Type)	None (or less than $101)	$101 $1,000	$1,001 $2,500	$2,501 $5,000	$5,001 $15,000	$15,001 $50,000	$50,001 $100,000	Over $100,000	Actual Amount Only if "Other" Specified	Date (Mo., Day, Yr.) Only if Honoraria	YES	NO
	Examples: X Y Z Common				X				X									X						--		X	
	Doe Jones & Smith, Hometown, USA			X											Partnership income									$50,000			
1	1987 8/31/87																										
2	Bayview Fed. Sav. & Loan		X						X								X										
3	Boston Celtics L.P.		X						X								X										
4	Calif. PCR				X						X							X									
5	Conseco Inc. CV Prof.			X					X								X										
6	General Electric Co.				X				X								X										
7	Jones Intercable Inv.			X					X							X											
8	Newport Corp.		X						X							X											
9	Northern Cal. Power 3AGY			X							X							X									
10	Int'l Technology Corp. (SOLD)			X					X							X											

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SF 278 (Rev. 1/87)
FPM Chapter 734
U.S. Office of Personnel Management

Form Approved
OMB No. 3209-0002

Reporting Individual's Name	Assets and Income	Page Number		Schedule A
Ary, T S	★ [illegible] 1987 ★		3	

All Filers: In BLOCK A report (a) the identity of each asset held for the production of income at the close of the reporting period which had a fair market value exceeding $1000 and (b) any other asset or source of income which generated over $100 in income during the reporting period. This includes but is not limited to employers, stocks, bonds, tax shelters, bank accounts, real property, mutual funds, pensions, IRA assets, assets of certain trusts, commodities futures, personal businesses and partnership interests. **Exclude** your personal residence unless you rent it out. See instructions for rules on bank accounts and complex holdings.

All Filers: In BLOCK B report the value of each asset listed in BLOCK A which had a fair market value exceeding $1000 at the close of the reporting period.

All Filers: In BLOCK C report the type and amount of income exceeding $100 received from the assets and other sources of income listed in BLOCK A. You must report the **actual amount** of any income not of a type specifically noted below. You need not report the actual amount of your spouse's earned income, only the source in BLOCK A. You may not check "qualified trust" unless you have a blind trust which has been specifically approved by the Office of Government Ethics. If you, your spouse or dependent child are the beneficiary of a trust which no one of you created and has no knowledge of the assets, refer to the instructions to see if it qualifies as an "excepted trust." If "none" (or less than $101) is checked under Category of Amount of Income, no other entries need be made in BLOCK C for that item.

Incumbents and Termination Filers only: In BLOCK D for any real property, stocks, bonds, commodities futures and other securities listed in BLOCK A, did you purchase, sell, or exchange the item during the reporting period for a value that exceeds $1000?

	BLOCK A Assets & Income Sources	BLOCK B Valuation of Assets								BLOCK C Income														BLOCK D Transactions Test	
	Identify each asset and income source of yours, your spouse(S) and your dependent child (DC) NONE ☐	Category of Value (X)								Type of Income (X)							Category of Amount of Income (X)									If yes, complete Schd. B Part I for those assets including those sold for a loss
	S or DC / Examples	None (or less than $1001)	$1,001 $5,000	$5,001 $15,000	$15,001 $50,000	$50,001 $100,000	$100,001 $250,000	Over $250,000	Dividends	Rent	Interest	Capital Gains	Excepted Trust	Qualified Trust	Other (Specify Type)	None (or less than $101)	$101 $1,000	$1,001 $2,500	$2,501 $5,000	$5,001 $15,000	$15,001 $50,000	$50,001 $100,000	Over $100,000	Actual Amount Only if "Other" Specified	Date (Mo., Day, Yr.) Only if Honoraria	YES / NO
	X Y Z Common / Joe Jones & Smith, Hometown, USA			X					X									X							
1															ptnrship income									$50,000		X
10	Pic & Sav Corp.			X					X							X										
2																										
11	So. Ind. Gas & Elec. (S)		X						X								X									
3																										
12	Union Carbide Corp.			X					X								X									
4																										
13	Dean Witter Liquid Assets			X					X								X									
5																										
14	Dean Witter Coldwell Tax Exempt				X				X										X							
6																										
15	Bristol Meyers (S)		X						X																	
7																X										
16	Amoco (S)			X					X																	
8																	X									
17	Permian Basin Roy. Trust		X										X													
9																	X									
18	San Juan Basin Roy. Trust		X										X													
10																	X									
19	Peoples Trust & Sav. Boonville, Indiana (S)		X						X																	

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SF 278 Rev. 1/87
OPM Charts 734
U.S. Office of Personnel Management

Form Approved
OMB No. 3209-0001

Reporting Individual's Name	Assets and Income	Page Number	4	Schedule A
Ary, T S				

All Filers: In BLOCK A report (a) the identity of each asset held for the production of income at the close of the reporting period which had a fair market value exceeding $1000 and (b) any other asset or source of income which generated over $100 in income during the reporting period. This includes but is not limited to employers, stocks, bonds, tax shelters, bank accounts, real property, mutual funds, pensions, IRA assets, assets of certain trusts, commodities futures, personal businesses and partnership interests. **Exclude** your personal residence unless you rent it out. See instructions for rules on bank accounts and complex holdings.

All Filers: In BLOCK B report the value of each asset listed in BLOCK A which had a fair market value exceeding $1000 at the close of the reporting period.

All Filers: In BLOCK C report the type and amount of income exceeding $100 received from the assets and other sources of income listed in BLOCK A. You must report the **actual amount** of any income not of a type specifically noted below. You need not report the actual amount of your spouse's earned income, only the source in BLOCK A. You may not check "qualified trust" unless you have a blind trust which has been specifically approved by the Office of Government Ethics. If you, your spouse or dependent child are the beneficiary of a trust which no one of you created and has no knowledge of the assets, refer to the instructions to see if it qualifies as an "excepted trust." If "none" (or less than $101) is checked under Category of Amount of Income, no other entries need be made in BLOCK C for that item.

Incumbents and Termination Filers only: In BLOCK D, for any real property, stocks, bonds, commodities futures and other securities listed in BLOCK A, did you purchase, sell, or exchange the item during the reporting period for a value that exceeds $1000?

BLOCK A Assets & Income Sources	BLOCK B Valuation of Assets									BLOCK C Income																		BLOCK D Transactions Test	
Identify each asset and income source of yours, your spouse(S) and your dependent child (DC). NONE ☐	Category of Value (X)									Type of Income (X)								Category of Amount of Income (X)											If yes, complete Schd. B Part I for those assets including those sold for a loss
S or DC / Examples	None (or less than $1001)	$1,001 $5,000	$5,001 $15,000	$15,001 $50,000	$50,001 $100,000	$100,001 $250,000	Over $250,000			Dividends	Rent	Interest	Capital Gains	Excepted Trust	Qualified Trust	Other (Specify Type)		None (or less than $101)	$101 $1,000	$1,001 $2,500	$2,501 $5,000	$5,001 $15,000	$15,001 $50,000	$50,001 $100,000	Over $100,000	Actual Amount Only if "Other" Specified	Date (Mo., Day, Yr.) Only if Honoraria	YES	NO
Examples: X Y Z Common				X						X										X						–		X	
Doe Jones & Smith, Hometown, USA			X													ptnrship income										$50,000			
1 20 Warrick Nat. Bk. Boonville, Indiana (S)		X								X									X										
2 21 Warrick Financial Boonville, Indiana (S)		X								X										X									
3 22 Warrick Sav. & Loan Boonville, Indiana		X								X									X										
4 23 IRA's (S)																													
5 24 Dean Witter Hi. Yield Sec.	X									X								X											
6 25 Dean Witter Convertible Cont. Sec.	X									X								X											
7 26 IRA's Acct. #118-096178																													
8 27 Dean Witter Hi. Yield Sec.				X						X										X									
9 28 Dean Witter Liquid Assets		X								X								X											
10 29 Dean Witter Convertible Sec.	X									X								X											

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SF 278 (Rev. 1/87)
FPM Chapter 734
U.S. Office of Personnel Management

Form Approved
OMB No. 3209-0002

Reporting Individual's Name	Assets and Income	Page Number	Schedule A
Ary, T S		5	

All Filers: In BLOCK A report (a) the identity of each asset held for the production of income at the close of the reporting period which had a fair market value exceeding $1000 and (b) any other asset or source of income which generated over $100 in income during the reporting period. This includes but is not limited to employers, stocks, bonds, tax shelters, bank accounts, real property, mutual funds, pensions, IRA assets, assets of certain trusts, commodities futures, personal businesses and partnership interests. **Exclude** your personal residence unless you rent it out. See instructions for rules on bank accounts and complex holdings.

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BLOCK A Assets & Income Sources			BLOCK B Valuation of Assets								BLOCK C Income														BLOCK D Transactions Test	
Identify each asset and income source of yours, your spouse(S) and your dependent child (DC). NONE ☐			Category of Value (X)								Type of Income (X)						Other (Specify Type)	Category of Amount of Income (X)								Actual Amount Only if "Other" Specified	Date (Mo., Day, Yr.) Only if Honoraria	If yes, complete Schd. B Part I for those assets including those sold for a loss	
			None (or less than $1001)	$1,001 $5,000	$5,001 $15,000	$15,001 $50,000	$50,001 $100,000	$100,001 $250,000	Over $250,000		Dividends	Rent	Interest	Capital Gains	Excepted Trust	Qualified Trust		None (or less than $101)	$101 $1,000	$1,001 $2,500	$2,501 $5,000	$5,001 $15,000	$15,001 $50,000	$50,001 $100,000	Over $100,000			YES	NO
S or DC	Examples	X Y Z Common Doe Jones & Smith, Hometown, USA			X						X						ptnrshp income			X					$50,000		X	
1	30	Dean Witter Acct. 118-096178 Cont. - Kerr-McGee Stock					X				X									X							
2	31																											
3	32	U.S. Savings Bonds				X					X							X										
4	33	C.D.'s - Bank of Oklahoma				X					X									X								
5	34																											
6	35	Savings Accts.																										
7	36	Bank of Oklahoma, Oklahoma City		X									X					X										
8	37	Founders Bank, Oklahoma City			X								X						X									
9	38	Metro Bank, Oklahoma City					X						X							X								
10	39	Quail Creek Bank, Oklahoma City				X							X						X									

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SF 278 (Rev. 1-87)
FPM Letter 1-M
U.S. Office of Personnel Management

Form Approved
OMB No. 3209-0002

Reporting Individual's Name	Assets and Income	Page Number		Schedule
Ary, T S			6	A

All Filers: In BLOCK A report (a) the identity of each asset held for the production of income at the close of the reporting period which had a fair market value exceeding $1000 and (b) any other asset or source of income which generated over $100 in income during the reporting period. This includes but is not limited to employers, stocks, bonds, tax shelters, bank accounts, real property, mutual funds, pensions, IRA assets, assets of certain trusts, commodities futures, personal businesses and partnership interests. **Exclude** your personal residence unless you rent it out. See instructions for rules on bank accounts and complex holdings.

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	BLOCK A Assets & Income Sources	BLOCK B Valuation of Assets Category of Value (X)								BLOCK C Income Type of Income (X)							Category of Amount of Income (X)									Actual Amount Only if "Other" Specified	Date (Mo., Day, Yr.) Only if Honoraria	BLOCK D Transactions Test If yes, complete Schd. B Part I for those assets including those sold for a loss	
	Identify each asset and income source of yours, your spouse(S) and your dependent child (DC) NONE ☐	None (or less than $1001)	$1,001 $15,000	$15,001 $50,000	$50,001 $100,000	$100,001 $250,000	Over $250,000	Dividends	Rent	Interest	Capital Gains	Excepted Trust	Qualified Trust	Other (Specify Type)	None (or less than $101)	$101 $1,000	$1,001 $2,500	$2,501 $5,000	$5,001 $15,000	$15,001 $50,000	$50,001 $100,000	$100,001 $1,000,000	Over $1,000,000			YES	NO
S or DC	Examples: X Y Z Common				X			X								X										X	
	Doe Jones & Smith, Hometown, USA			X										partnership income									$50,000			
1 40	Warrick Natl. Bank Boonville, Indiana			X						X						X											
2 41																											
3 42	Rental Prop., Concord, Mass.					X			X									X									
4 43	50% Interest in sales contract for warehouse in Boonville, Indiana					Wayne Anderson - Boonville, Indiana																					
5 44	Sales Contract				X					X							X										
6 45	Income Sec. Work (S)													Fees									$ 3,000			
7 46	Kerr-McGee, Oklahoma City													Salary									25,518			
8 47	Kerr-McGee, Oklahoma City													Severance									40,000			
9 48	Kerr-McGee, Oklahoma City													Supplement									4,500			
10 49	Kerr-McGee, Oklahoma City													Pension									8,640			

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278.210

SF 278 (Rev. 1-87)
FPM Chapter 734
U.S. Office of Personnel Management

Form Approved
OMB No. 3209-0001

Reporting Individual's Name	Assets and Income	Page Number		Schedule
Ary, T S			7	A

★ DEC 10 1987 ★
OGE OFFICE

All Filers: In BLOCK A report (a) the identity of each asset held for the production of income at the close of the reporting period which had a fair market value exceeding $1000 and (b) any other asset or source of income which generated over $100 in income during the reporting period. This includes but is not limited to employers, stocks, bonds, tax shelters, bank accounts, real property, mutual funds, pensions, IRA assets, assets of certain trusts, commodities futures, personal businesses and partnership interests. **Exclude** your personal residence unless you rent it out. See instructions for rules on bank accounts and complex holdings.

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BLOCK A Assets & Income Sources	BLOCK B Valuation of Assets								BLOCK C Income																BLOCK D Transactions Test	
Identify each asset and income source of yours, your spouse(S) and your dependent child (DC). NONE ☐	Category of Value (X)								Type of Income (X)							Other (Specify Type)	Category of Amount of Income (X)								Actual Amount Only if "Other" Specified	Date (Mo., Day, Yr.) Only if Honoraria	If yes, complete Schd. B Part I for those assets including those sold for a loss	
	None (or less than $1001)	$1,001 $5,000	$5,001 $15,000	$15,001 $50,000	$50,001 $100,000	$100,001 $250,000	Over $250,000		Dividends	Rent	Interest	Capital Gains	Excepted Trust	Qualified Trust			None (or less than $101)	$101 $1,000	$1,001 $2,500	$2,501 $5,000	$5,001 $15,000	$15,001 $50,000	$50,001 $100,000	Over $100,000			YES	NO
S or DC / Examples: X Y Z Common / Doe Jones & Smith, Hometown USA			X	X					X										X						--		X	
																p'rship income									$50,000			
1 60 Stock Option																												
2 61 On Jan. 14, 1980, I was awarded an Employee Stock Option on 5,000 shares of K-M common stock.																												
3 62 On Oct. 21, 1981, K-M stock split 2 for 1, thereby making my option for 10,000 shares.																												
4 63 The Plan Committee divided the option into an "incentive Stock Option" for 1,426 shares.																												
5 64 The balance, 8,574 shares, were considered a "non-qualifying option."																												
6 65 There has been other minor amendments and modifications to the plan. Copies of all agreements and amendments are attached.																												
7 66 The option terminates 1/1/89																												
8 67 Income																												
9 68 Utah Int.			X													Deferred Income									$7,548			
10 69 Personal Consulting		X														Income									$3,600			

PREVIOUS EDITION USABLE

278-210

SF 278 (Rev. 1/87)
FPM Chapter 734
U.S. Office of Personnel Management

Form Approved
OMB No. 3206-0082

Reporting Individual's Name	Assets and Income	Page Number	Schedule
Ary, T S		8	A

All Filers: In BLOCK A report (a) the identity of each asset held for the production of income at the close of the reporting period which had a fair market value exceeding $1000 and (b) any other asset or source of income which generated over $100 in income during the reporting period. This includes but is not limited to employers, stocks, bonds, tax shelters, bank accounts, real property, mutual funds, pensions, IRA assets, assets of certain trusts, commodities futures, personal businesses and partnership interests. **Exclude** your personal residence unless you rent it out. See instructions for rules on bank accounts and complex holdings.

All Filers: In BLOCK B report the value of each asset listed in BLOCK A which had a fair market value exceeding $1000 at the close of the reporting period.

All Filers: In BLOCK C report the type and amount of income exceeding $100 received from the assets and other sources of income listed in BLOCK A. You must report the **actual amount** of any income not of a type specifically noted below. You need not report the actual amount of your spouse's earned income, only the source in BLOCK A. You may not check "qualified trust" unless you have a blind trust which has been specifically approved by the Office of Government Ethics. If you, your spouse or dependent child are the beneficiary of a trust which no one of you created and has no knowledge of the assets, refer to the instructions to see if it qualifies as an "excepted trust." If "none" (or less than $101) is checked under Category of Amount of Income, no other entries need be made in BLOCK C for that item.

Incumbents and Termination Filers only: In BLOCK D, for any real property, stocks, bonds, commodities futures and other securities listed in BLOCK A, did you purchase, sell, or exchange the item during the reporting period for a value that exceeds $1000?

BLOCK A Assets & Income Sources	BLOCK B Valuation of Assets	BLOCK C Income																								BLOCK D Transactions Test	
Identify each asset and income source of yours, your spouse(S) and your dependent child (DC). NONE ☐	Category of Value (X)								Type of Income (X)							Category of Amount of Income (X)									Actual Amount Only if "Other" Specified	Date (Mo., Day, Yr.) Only if Honoraria	If yes, complete Schd. B Part I for those assets including those sold for a loss	
	None (or less than $1001)	$1,001 $5,000	$5,001 $15,000	$15,001 $50,000	$50,001 $100,000	$100,001 $250,000	Over $250,000		Dividends	Rent	Interest	Capital Gains	Excepted Trust	Qualified Trust	Other (Specify Type)	None (or less than $101)	$101 $1,000	$1,001 $2,500	$2,501 $5,000	$5,001 $15,000	$15,001 $50,000	$50,001 $100,000	Over $100,000			YES	NO
S or DC / Examples: X Y Z Common				X					X									X						--		X	
Examples: Doe Jones & Smith, Hometown, USA			X												ptnrshp income									$50,000			
1 Bayview Fed. Sav. & Loan		X							X								X										
2 Boston Celtics L. P.		X							X								X										
3 Calif. PCR				X					X									X									
4 Diasonics			X						X							X											
5 Fed. Paper Bd.			X						X								X										
6 Gen. Elec. Co.				X					X								X										
7 Kerr-McGee				X					X								X										
8 Newport Corp.		X							X							X											
9 Northern Calif. Power			X						X									X									
10 Oblne Dodge Convnt			X						X								X										

SF 278 (Rev. 1/87)
Part Chapter 13A
U.S. Office of Personnel Management

Form Approved
OMB No. 3206-0092

Reporting Individual's Name		Page Number		Schedule
Ary, T S	**Assets and Income**	Page Number	9	Schedule A

All Filers: In BLOCK A report (a) the identity of each asset held for the production of income at the close of the reporting period which had a fair market value exceeding $1000 and (b) any other asset or source of income which generated over $100 in income during the reporting period. This includes but is not limited to employers, stocks, bonds, tax shelters, bank accounts, real property, mutual funds, pensions, IRA assets, assets of certain trusts, commodities futures, personal businesses and partnership interests. **Exclude** your personal residence unless you rent it out. See instructions for rules on bank accounts and complex holdings.

All Filers: In BLOCK B report the value of each asset listed in BLOCK A which had a fair market value exceeding $1000 at the close of the reporting period.

All Filers: In BLOCK C report the type and amount of income exceeding $100 received from the assets and other sources of income listed in BLOCK A. You must report the **actual amount** of any income not of a type specifically noted below. You need not report the actual amount of your spouse's earned income, only the source in BLOCK A. You may not check "qualified trust" unless you have a blind trust which has been specifically approved by the Office of Government Ethics. If you, your spouse or dependent child are the beneficiary of a trust which no one of you created and has no knowledge of the assets, refer to the instructions to see if it qualifies as an "excepted trust." If "none" (or less than $101) is checked under Category of Amount of Income, no other entries need be made in BLOCK C for that item.

Incumbents and Termination Filers only: In BLOCK D, for any real property, stocks, bonds, commodities futures and other securities listed in BLOCK A, did you purchase, sell, or exchange the item during the reporting period for a value that exceeds $1000?

BLOCK A Assets & Income Sources		BLOCK B Valuation of Assets								BLOCK C Income															BLOCK D Transactions Test	
Identify each asset and income source of yours, your spouse(S) and your dependent child (DC). NONE ☐		Category of Value (X)								Type of Income (X)							Category of Amount of Income (X)										If yes, complete Schd. B Part I for those assets including those sold for a loss.	
S or DC		None (or less than $1001)	$1,001 $5,000	$5,001 $15,000	$15,001 $50,000	$50,001 $100,000	$100,001 $250,000	Over $250,000	Dividends	Rent	Interest	Capital Gains	Excepted Trust	Qualified Trust	Other (Specify Type)	None (or less than $101)	$101 $1,000	$1,001 $2,500	$2,501 $5,000	$5,001 $15,000	$15,001 $50,000	$50,001 $100,000	Over $100,000	Actual Amount Only if "Other" Specified	Date (Mo., Day, Yr.) Only if Honoraria	YES	NO
	Examples: X Y Z Common			X		X			X									X						–			
	Doe Jones & Smith, Hometown, USA			X					X															$50,000		X	
1															ptnrshp income												
11	Pic 'N Sav			X					X							X											
2																											
12	So. Ind. Gas & Elec. (S)		X						X								X										
3																											
13	Union Carbide Corp.			X					X								X										
4																											
14	Van Dorn Co.		X						X								X										
5																											
15	Dean Witter Liquid Assets			X					X								X										
6																											
16	Dean Witter Coldwell Tax Ex				X				X									X									
7																											
17	Bristol Meyers (S)		X						X							X											
8																											
18	Amoco (S)			X					X								X										
9																											
19	Permian Basin Roy. Trust		X										X				X										
10																											
20	San Juan Basin Roy. Trust		X										X				X										

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278-210

SF 278 (Rev. 1/87)
FPM Chapter 734
U.S. Office of Personnel Management

Form Approved
OMB No. 3209-0001

Reporting Individual's Name		Page Number		Schedule
Ary, T S	**Assets and Income**		10	A

All Filers: In BLOCK A report (a) the identity of each asset held for the production of income at the close of the reporting period which had a fair market value exceeding $1000 and (b) any other asset or source of income which generated over $100 in income during the reporting period. This includes but is not limited to employers, stocks, bonds, tax shelters, bank accounts, real property, mutual funds, pensions, IRA assets, assets of certain trusts, commodities futures, personal businesses and partnership interests. **Exclude** your personal residence unless you rent it out. See instructions for rules on bank accounts and complex holdings.

All Filers: In BLOCK B report the value of each asset listed in BLOCK A which had a fair market value exceeding $1000 at the close of the reporting period.

All Filers: In BLOCK C report the type and amount of income exceeding $100 received from the assets and other sources of income listed in BLOCK A. You must report the **actual amount** of any income not of a type specifically noted below. You need not report the actual amount of your spouse's earned income; only the source in BLOCK A. You may not check "qualified trust" unless you have a blind trust which has been specifically approved by the Office of Government Ethics. If you, your spouse or dependent child are the beneficiary of a trust which no one of you created and has no knowledge of the assets, refer to the instructions to see if it qualifies as an "excepted trust." If "none" (or less than $101) is checked under Category of Amount of Income, no other entries need be made in BLOCK C for that item.

Incumbents and Termination Filers only: In BLOCK D, for any real property, stocks, bonds, commodities futures and other securities listed in BLOCK A, did you purchase, sell, or exchange the item during the reporting period for a value that exceeds $1000?

	BLOCK A Assets & Income Sources	BLOCK B Valuation of Assets								BLOCK C Income																		BLOCK D Transactions Test	
	Identify each asset and income source of yours, your spouse(S) and your dependent child (DC) NONE ☐	Category of Value (X)								Type of Income (X)							Category of Amount of Income (X)											If yes, complete Schd. B Part II for those assets including those sold for a loss	
		None (or less than $1001)	$1,001 $5,000	$5,001 $15,000	$15,001 $50,000	$50,001 $100,000	$100,001 $250,000	Over $250,000		Dividends	Rent	Interest	Capital Gains	Excepted Trust	Qualified Trust	Other (Specify Type)	None (or less than $101)	$101 $1,000	$1,001 $2,500	$2,501 $5,000	$5,001 $15,000	$15,001 $50,000	$50,001 $100,000	Over $100,000	Actual Amount Only if "Other" Specified	Date (Mo., Day, Yr.) Only if Honoraria	YES	NO
S or DC	Examples: X Y Z Common				X					X									X									X	
	Doe Jones & Smith, Hometown, USA			X												ptnrship income									$50,000			
1 21	1986 (Cont.)																												
2 22	Peoples Trust & Sav. Boonville, Indiana (S)		X							X								X										
3 23	Warrick Natl. Bank Boonville, Indiana (S)		X							X								X										
4 24	Warrick Financial Boonville, Indiana (S)		X							X								X										
5 25	Warrick Sav. & Loan Boonville, Indiana (S)		X							X								X										
6 26	IRA's (S)																												
7 27	Dean Witter Hi Yield Sec.	X								X							X											
8 28	Dean Witter Conv. Sec.	X								X							X											
9 29	IRA's Acct. 096178																												
10 30	Dean Witter Hi Yield Sec.			X						X									X									

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278 210

SF 278 (Rev. 1/87)
Title 5 Chapter 73
U.S. Office of Personnel Management

Form Approved
OMB No. 3209-7052

Reporting Individual's Name	Assets and Income	Page Number	11	Schedule A
Ary, T S				

All Filers: In BLOCK A report (a) the identity of each asset held for the production of income at the close of the reporting period which had a fair market value exceeding $1000 and (b) any other asset or source of income which generated over $100 in income during the reporting period. This includes but is not limited to employers, stocks, bonds, tax shelters, bank accounts, real property, mutual funds, pensions, IRA assets, assets of certain trusts, commodities futures, personal businesses and partnership interests. **Exclude** your personal residence unless you rent it out. See instructions for rules on bank accounts and complex holdings.

All Filers: In BLOCK B report the value of each asset listed in BLOCK A which had a fair market value exceeding $1000 at the close of the reporting period.

All Filers: In BLOCK C report the type and amount of income exceeding $100 received from the assets and other sources of income listed in BLOCK A. You must report the **actual amount** of any income not of a type specifically noted below. You need not report the actual amount of your spouse's earned income, only the source in BLOCK A. You may not check "qualified trust" unless you have a blind trust which has been specifically approved by the Office of Government Ethics. If you, your spouse or dependent child are the beneficiary of a trust which no one of you created and has no knowledge of the assets, refer to the instructions to see if it qualifies as an "excepted trust." If "none" (or less than $101) is checked under Category of Amount of Income, no other entries need be made in BLOCK C for that item.

Incumbents and Termination Filers only: In BLOCK D, for any real property, stocks, bonds, commodities futures and other securities listed in BLOCK A, did you purchase, sell, or exchange the item during the reporting period for a value that exceeds $1000?

	BLOCK A Assets & Income Sources	BLOCK B Valuation of Assets								BLOCK C Income															BLOCK D Transactions Test	
	Identify each asset and income source of yours, your spouse(S) and your dependent child (DC). NONE ☐	Category of Value (X)								Type of Income (X)							Category of Amount of Income (X)									If yes, complete Schd. B Part I for those assets including those sold for a loss	
S or DC	Examples	None (or less than $1001)	$1,001 $5,000	$5,001 $15,000	$15,001 $50,000	$50,001 $100,000	$100,001 $250,000	Over $250,000		Dividends	Rent	Interest	Capital Gains	Excepted Trust	Qualified Trust	Other (Specify Type)	None (or less than $101)	$101 $1,000	$1,001 $2,500	$2,501 $5,000	$5,001 $15,000	$15,001 $50,000	$50,001 $100,000	Over $100,000	Actual Amount Only if "Other" Specified	Date (Mo., Day, Yr.) Only if Honoraria	YES	NO
	X Y Z Common				X					X									X						--			
	Doe Jones & Smith, Hometown, USA			X												ptnrship income									$50,000		X	
31	1986 (Cont.)																											
32	Dean Witter Liquid Assets	X								X							X											
33	Dean Witter Conv. Sec.		X							X							X											
34	U.S. Savings Bonds			X						X							X											
35	C.D.'s				X					X									X									
36	Savings Accts.																											
37	Bank of OK, Oklahoma City	X									X						X											
38	Founders Bank, Oklahoma City				X						X								X									
39	Metro Bank, Oklahoma City				X						X								X									
40																												

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278-210

Reporting Individual's Name: Ary, T S

Assets and Income

Page Number: 12

Schedule A

All Filers: In BLOCK A report (a) the identity of each asset held for the production of income at the close of the reporting period which had a fair market value exceeding $1000 and (b) any other asset or source of income which generated over $100 in income during the reporting period. This includes but is not limited to employers, stocks, bonds, tax shelters, bank accounts, real property, mutual funds, pensions, IRA assets, assets of certain trusts, commodities futures, personal businesses, and partnership interests. **Exclude** your personal residence unless you rent it out. See instructions for rules on bank accounts and complex holdings.

All Filers: In BLOCK B report the value of each asset listed in BLOCK A which had a fair market value exceeding $1000 at the close of the reporting period.

All Filers: In BLOCK C report the type and amount of income exceeding $100 received from the assets and other sources of income listed in BLOCK A. You must report the **actual amount** of any income not of a type specifically noted below. You need not report the actual amount of your spouse's earned income; only the source in BLOCK A. You may not check "qualified trust" unless you have a blind trust which has been specifically approved by the Office of Government Ethics. If you, your spouse or dependent child are the beneficiary of a trust which no one of you created and has no knowledge of the assets, refer to the instructions to see if it qualifies as an "excepted trust." If "none" (or less than $101) is checked under Category of Amount of Income, no other entries need be made in BLOCK C for that item.

Incumbents and Termination Filers only: In BLOCK D, for any real property, stocks, bonds, commodities futures, and other securities listed in BLOCK A, did you purchase, sell, or exchange the item during the reporting period for a value that exceeds $1000?

BLOCK A Assets & Income Sources	BLOCK B Valuation of Assets								BLOCK C Income														BLOCK D Transactions Test	
Identify each asset and income source of yours, your spouse(S) and your dependent child (DC)	Category of Value (X)								Type of Income (X)							Category of Amount of Income (X)										If yes, complete Schd. B Part II for those assets including those sold for a loss.	
NONE ☐	None (or less than $1001)	$1,001 $5,000	$5,001 $15,000	$15,001 $50,000	$50,001 $100,000	$100,001 $250,000	Over $250,000		Dividends	Rent	Interest	Capital Gains	Excepted Trust	Qual. Blind Trust	Other (Specify Type)	None (or less than $101)	$101 $1,000	$1,001 $2,500	$2,501 $5,000	$5,001 $15,000	$15,001 $50,000	$50,001 $100,000	Over $100,000	Actual Amount Only if "Other" Specified	Date (Mo., Day, Yr.) Only if Honoraria	YES	NO
S Exam DC BPS — A X Z Common; Doe Jones & Smith, Hometown, USA		x		x					x									x								x	
															partnership income									$50,000			
41 1986(Cont.)																											
42 Savings Acct. Cont.																											
43 Quail Creek, OKC				x							x						x										
44 Warrick Natl. Bk.			x								x						x										
45 Boonville, Indiana																											
46 Rental Property																											
47 Concord, Mass.					x					x											x						
48 Sales Contract for 50% ownership in Boonville, Indiana warehouse to Wayne Anderson																											
49				x							x									x							
50																											

SF 278 (Rev. 1/87)
FPM Chapter 734
U.S. Office of Personal Management

Form Approved:
OMB No. 3209-0032

Reporting Individual's Name	Assets and Income.	Page Number	13	Schedule A
Ary, T S				

All Filers: In BLOCK A report (a) the identity of each asset held for the production of income at the close of the reporting period which had a fair market value exceeding $1000 and (b) any other asset or source of income which generated over $100 in income during the reporting period. This includes but is not limited to employers, stocks, bonds, tax shelters, bank accounts, real property, mutual funds, pensions, IRA assets, assets of certain trusts, commodities futures, personal businesses and partnership interests. **Exclude** your personal residence unless you rent it out. See instructions for rules on bank accounts and complex holdings.

All Filers: In BLOCK B report the value of each asset listed in BLOCK A which had a fair market value exceeding $1000 at the close of the reporting period.

All Filers: In BLOCK C report the type and amount of income exceeding $100 received from the assets and other sources of income listed in BLOCK A. You must report the **actual amount** of any income not of a type specifically noted below. You need not report the actual amount of your spouse's earned income, only the source in BLOCK A. You may not check "qualified trust" unless you have a blind trust which has been specifically approved by the Office of Government Ethics. If you, your spouse or dependent child are the beneficiary of a trust which no one of you created and has no knowledge of the assets, refer to the instructions to see if it qualifies as an "excepted trust." If "none" (or less than $101) is checked under Category of Amount of Income, no other entries need be made in BLOCK C for that item.

Incumbents and Termination Filers only: In BLOCK D, for any real property, stocks, bonds, commodities futures and other securities listed in BLOCK A, did you purchase, sell, or exchange the item during the reporting period for a value that exceeds $1000?

	BLOCK A Assets & Income Sources	BLOCK B Valuation of Assets							BLOCK C Income															BLOCK D Transactions Test	
	Identify each asset and income source of yours, your spouse(S) and your dependent child (DC) NONE ☐	Category of Value (X)							Type of Income (X)							Category of Amount of Income (X)									If yes, complete Schd. B Part I for those assets including those sold for a loss
S or DC	Examples	None (or less than $1001)	$1,001 $15,000	$15,001 $50,000	$50,001 $100,000	$100,001 $250,000	Over $250,000	Dividends	Rent	Interest	Capital Gains	Excepted Trust	Qualified Trust	Other (Specify Type)	None (or less than $101)	$101 $1,000	$1,001 $2,500	$2,501 $5,000	$5,001 $15,000	$15,001 $50,000	$50,001 $100,000	Over $100,000	Actual Amount Only if "Other" Specified	Date (Mo., Day, Yr.) Only if Honoraria	YES	NO
	X Y Z Common			X				X									X								
	Doe Jones & Smith, Hometown, USA		X											ptnrship income									$50,000		X	
1 51	1986(Cont.)																									
2 52	Income																									
3 53	Private Sec. (S)													Fees									$ 350			
4 54	Kerr-McGee													Salary									102,072			
5 55	Utah Intl.													Deferred Income									7,548			
6																										
7																										
8																										
9																										
10																										

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279-210

SF 278 (Rev. 1/87)
FPM Chapter 734
U.S. Office of Personnel Management

Form Approved:
OMB No. 3209-0052

Reporting Individual's Name:
Ary, T. S.

DEC 10 1987

Page Number	14	Schedule B

Part I
Transactions

Incumbents and Termination Filers only: Report any purchase, sale or exchange by you, your spouse or dependent child during the reporting period of any real property, stocks, bonds, commodities futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse or your dependent child.

NONE [X]

S or DC	Example	Identification of Assets	Type of Transaction (X) Purchase	Sale	Exchange	Date (Mo., Day, Yr.)	Amount of Transaction (X) $1,001 $5,000	$5,001 $15,000	$15,001 $50,000	$50,001 $100,000	$100,001 $250,000	Over $250,000
	Example	X Y Z Common	X			2/1/83			X			
1												
2												
3												
4												
5												
6												

Part II
Gifts, Reimbursements and Travel Expenses

Incumbents and Termination Filers only:
Report the source, a brief description and the value of: (1) in-kind gifts of transportation, lodging, food or entertainment received from one source totaling $250 or more unless received as personal hospitality at the donor's personal or family residence; (2) other gifts received from one source totaling $100 or more in value; and (3) cash reimbursements of $250 or more received from one source. Exclude gifts and reimbursements received by your spouse that were given totally independent of their relationship to you. **Exclude** transportation, lodging, food and reimbursements from the U.S. Government. For (1) and (2), **exclude** gifts from relatives and **exclude** gifts of $35 or less when aggregating them for the total from one source. See instructions for further exclusions.

NONE [ ]

S	Source (Name and Address)	Brief Description	Value
Example	Nat'l Assn. of Rock Collectors, NY, NY	Airline ticket, hotel room & meals incident to national conference 6/15/83	$500
Example	Nat'l Assn. of Rock Collectors, NY, NY	Leather briefcase for retiring president	$125
1			
2			
3			
4			
5			
6			

PREVIOUS EDITION USABLE

278-109

SF 278 (Rev. 1/87)
278V Chapter 734
U.S. Office of Personnel Management

Form Approved
OMB No. 3209-0001

Reporting Individual's Name:
Ary, T S

DEC 10 1987

Page Number	15	Schedule C

Part I
Liabilities

All Filers: Report liabilities over $10,000 owed to any one creditor at any time during the reporting period by you, your spouse or dependent child. Check the highest amount owed during the reporting period. **Exclude** a mortgage on your personal residence unless it is rented out; loans secured by automobiles, household furniture or appliances; and liabilities owed to relatives. See instructions for revolving charge accounts.

NONE [X]

		Creditor (Name and Address)	Type of Liability	Date Incurred	Interest Rate	Term if applicable	Category of Amount or Value (X) $10,001 to $15,000	$15,001 to $50,000	$50,001 to $100,000	$100,001 to $250,000	Over $250,000
S or DC	Examples	First District Bank, Washington, DC	Mortgage on rental property, Rehoboth Beach, Delaware	1981	13%	25 yrs			X		
		John Jones, 123 J St., Washington, DC	Promissory note	1979	10%	on demand	X				
1		None									
2											
3											
4											
5											
6											

Part II
Agreements Or Arrangements

All Filers: Report your agreements or arrangements for future employment, leaves of absence; continuation of payment by a former employer (including severance payments); or continuing participation in an employee benefit plan. See instructions regarding the reporting of negotiations for any of these arrangements or benefits.

NONE [ ]

	Status and Terms of any Agreement or Arrangement	Parties	Date (Mo., Yr.)
Example	Pursuant to partnership agreement, will receive capital account & partnership share calculated on service performed through 11/83	Doe Jones & Smith, Home town, USA	7/75 partnership agmnt
	Upon retirement from Kerr-McGee, March 31, 1987, I selected an option to defer a portion of my severance pay.		
	I will receive $30,000 on Jan.1, 1988 and Jan 1, 1989.		

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278 (9)

SF 278 (Rev. 1/87)
FPM Chapter 734
U.S. Office of Personnel Management

Reporting Individual's Name
Ary, T S

DEC 1 0 1987

Page Number		Schedule D

Part I
Positions Held Outside U.S. Government

All Filers: Report any positions held during the applicable reporting period. Positions include but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. Exclude positions with religious, social, fraternal, or political entities or those solely of an honorary nature.

NONE ☐

	Organization (Name and Address)	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
Examples	Nat'l Assn. of Rock Collectors, NY, NY	Non profit education	President	6/82	6/83
	Doe Jones & Smith, Hometown, USA	Law firm	Partner	7/76	11/83
	Kerr-McGee Minerals Explor. Div.	minerals exploration	President	1/14/80	3/31/87
	Kerr-McGee Resources Corp.	minerals exploration	President	1/14/80	3/31/87
	American Mining Congress	non-profit education	Chm. Min. Availability Comm.	1/1/83	9/1/87
	National Association of Manufacturers	non-profit education	Chm. Natural Resources Comm.	1/1/82	9/1/87
	National Association of Manufacturers	non-profit education	State Director	1/1/83	9/1/87
	Lakehurst Homeowners Association	non-profit education	Sec - Tres.	7/1/82	present

Part II
Compensation In Excess Of $5000 Paid by One Source

Nominees and New Entrants only: Report sources of such compensation received by you or your business affiliation for services directly provided by you during the reporting period. This includes the names of clients and customers of any corporation, firm, partnership or other business enterprise, or any nonprofit organization, when you directly provided the services generating a fee or payment of more than $5,000. You need not report the U.S. Government as a source.

NONE ☐

	Source (Name and Address)	Brief Description of Duties
Examples	Doe Jones & Smith, Hometown, USA	Legal services
	Metro University (client of Doe Jones & Smith) Hometown, USA	Legal services in connection with university construction
	Kerr-McGee, Oklahoma City - Salary	President
	Kerr-McGee, Oklahoma City - Severance	President
	Kerr-McGee, Oklahoma City - Supplement	President
	Kerr-McGee, Oklahoma City - Pension	Pension
	Utah Intl. - Deferred Income San Francisco	Vice President

PREVIOUS EDITION USABLE

278-109

United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

DEC 11 1987

Mr. Donald E. Campbell
Acting Director
Office of Government Ethics
Office of Personnel Management
P.O. Box 14108
Washington, D.C. 20044

Dear Mr. Campbell:

The enclosed financial disclosure report filed by Mr. T S Ary for the position of Director, U.S. Bureau of Mines, U.S. Department of the Interior, has been reviewed in compliance with 5 CFR 734.604(a). In addition to the standard conflict of interest prohibitions contained in 18 U.S.C. §§201-209 and Executive Order 11222, as amended, the Director, Bureau of Mines is also subject to five statutory prohibitions that apply only to employees in our Department. These statutory prohibitions are: 18 U.S.C. §437; 30 U.S.C. §6; 30 U.S.C. §1211(f); 43 U.S.C. §11 and 43 U.S.C. §31(a). Except for 30 U.S.C. §1211(f), the provisions of each of these statutes are extended to the Director, Bureau of Mines by Department of the Interior regulations in 43 CFR Part 20.

As Director, Bureau of Mines, Mr. Ary will perform functions and duties under the Surface Mining Control and Reclamation Act of 1977 (Surface Mining Act). Under 30 U.S.C. §1211(f), employees who perform functions and duties under the Surface Mining Act are prohibited from having any direct or indirect financial interest in underground or surface coal mining operations. Mr. Ary retired from Kerr-McGee Corporation on March 31, 1987. Kerr-McGee has significant coal mining operations, mining over 15 million tons of coal in 1985 and 1986. In addition, the company is actively engaged in exploring for coal and owns or leases coal reserves in Illinois, Oklahoma, Utah, West Virginia and Wyoming. Consequently, Mr. Ary's financial interests in Kerr-McGee are of concern.

Mr. Ary's pension from Kerr-McGee, is fully funded. Neither the company nor Mr. Ary continue to make contributions to his retirement account. Further, Mr. Ary's retirement account is independently managed by the Mellon Bank of Pittsburgh, Pennsylvania. A separate account is maintained for each retiree and the amount of benefits paid is a function of the amount contributed and investment performance. In accordance with Office of Government Ethics Advisory Opinion 83 OGE 1, we do not consider Mr. Ary's pension to be a problem under any of the applicable conflict of interest provisions.

On January 14, 1980, Mr. Ary was awarded an employee stock option on 5000 shares of Kerr-McGee stock. As a result of a two-for-one stock split on October 21, 1981, Mr. Ary currently has a stock option for 10,000 shares of Kerr-McGee stock. Mr. Ary's option terminates on January 1, 1989. Mr. Ary's stock options are considered to be financial interests for purposes of the prohibitions in 30 U.S.C. §1211(f) and 18 U.S.C. §208. To avoid the application of these prohibitions, Mr. Ary has agreed to terminate his stock options with Kerr-McGee or to exercise his stock options and sell his Kerr-McGee stock upon confirmation as Director, U.S. Bureau of Mines. Mr. Ary has also agreed to sell Kerr-McGee stock he currently holds in a separate Individual Retirement Account.

Mr. Ary reports that he has an arrangement with the Kerr-McGee Corporation to defer payment on a portion of his severance pay. Mr. Ary also receives deferred income from Utah International Corporation. In each instance, the deferred payments are for services Mr. Ary performed while working for these firms and therefore, the payments are not prohibited by 18 U.S.C. §209. Each deferred payment account is currently under the control of the respective company. In our opinion, this arrangement creates a potential problem under 18 U.S.C. §208 and 30 U.S.C. §1211(f). To avoid the prohibitions of these statutes, Mr. Ary has agreed to request that each company establish an independently managed account for the administration of these deferred payments. In establishing the independent accounts, each company will relinquish control over the administration of the accounts thereby eliminating any appearance of financial control. In addition, Mr. Ary has agreed to recuse himself from participating in any particular matters that specifically involve Kerr-McGee Corporation or Utah International Corporation upon his confirmation as Director, Bureau of Mines.

Mr. Ary currently operates a personal consulting business that conducts geological reviews and surveys. This personal business is the source of Mrs. Ary's employment interest. None of the consulting business clients have business dealings with the Department of the Interior.

Under 43 U.S.C.§11 and §31(a), the financial interests of the employee or his or her spouse are covered. These statutes prohibit financial interests in companies that lease Federal lands for their business operations. Amoco leases in excess of 4.2 million acres of Federal land from the Department of the Interior. To comply with these provisions, Mr. Ary has agreed to sell the interests in Amoco upon confirmation as Director, Bureau of Mines.

Mr. Ary reports a financial interest in Union Carbide Corporation. In the past, the U.S. Bureau of Mines has had business agreements with Union Carbide for the conduct of research relating to the mining industry. There are no current contracts with Union Carbide and we find

no cause for any actions on Mr. Ary's part at this time. Mr. Ary has been advised of this situation and if contracts or any other business arrangements occur between the Bureau and Union Carbide in the future, appropriate action will be taken at that time.

Concerning several of the other reported interests:

- Mr. Ary sold his stock in International Technology Corporation on December 2, 1987.
- Mr. Ary has also sold his interest in California, PCR.
- Except for the Individual Retirement Account (IRA) containing Kerr-McGee stock, the other IRA accounts with Dean Witter consist of diversified mutual funds.
- The rental property in Concord, Massachusetts is a residential property and not associated with any National Historic Site or other Federal lands administered by the Department of the Interior.
- The sales contract for the warehouse in Boonville, Indiana does not involve any Federal lands or programs of the Department of the Interior. The purchaser of the warehouse, Mr. Wayne Anderson, has no business dealings with the Department of the Interior.
- Mr. Ary resigned his positions with the American Mining Congress and the National Association of Manufacturers in September of 1987.

All of the other interests reported by Mr. Ary are in compliance with applicable conflict of interest statutes and regulations that will apply to him as Director, Bureau of Mines. Based on our review and analysis and the actions agreed to by Mr. Ary, I have certified to the enclosed financial disclosure report and its attachments.

Sincerely,

for Joseph W. Gorrell
Principal Deputy Assistant Secretary
Policy, Budget and Administration
and Designated Agency Ethics Official

Enclosure

cc:
Mr. Ary
Ms. Cook, WH
Mr. Gorrell
Mr. Elliott, SOL/GL

ATTACHMENT TO FINANCIAL
STATEMENT FOR T S ARY
12-10-87 Page 1 of 13

KERR-McGEE

STOCK OPTION UNDER 1978 EMPLOYEE STOCK OPTION PLAN
AND ACCOMPANYING STOCK APPRECIATION RIGHT

Kerr-McGee Corporation, a Delaware Corporation (hereinafter called "Company"), in consideration of the value to it of, and as additional inducement for, the continuing service of

T S Ary (hereinafter called the "Optionee"),

presently employed as President, Minerals Exploration Division, Kerr-McGee Corporation

hereby grants unto the Optionee the option (which shall be irrevocable) to purchase from the Company up to 5,000 shares of its common stock ($1.00 par value per share), exercisable upon the following terms and conditions:

(a) The option price shall be $ 70.125 per share, which is 100 percent of the fair market value of such stock at the date hereof, such fair market value being the mean between the high and the low price of the Company's common stock as reported on the New York Stock Exchange—Composite Transactions on the date hereof. If no sale of the Company's common stock was reported on this date, the price is the mean between the high and the low price on the next preceding day on which such a sale was reported.

Subject to the provisions hereof, the stock subject to this option shall be allotted and the option shall be exercisable as follows:

(i) After the expiration of one (1) year from the effective date hereof, this option may be exercised with respect to all or any part of 1,000 of the said 5,000 shares.

(ii) After the expiration of two (2) years from the effective date hereof, this option may be exercised with respect to all or any part of 2,000 of the said 5,000 shares less such number of shares as may have been taken down by the Optionee hereunder prior thereto.

(iii) After the expiration of three (3) years from the effective date hereof, this option may be exercised with respect to all or any part of 3,000 of the said 5,000 shares less such number of shares as may have been taken down by the Optionee hereunder prior thereto.

(iv) After the expiration of four (4) years from the effective date hereof, this option may be exercised with respect to all or any part of 4,000 of the said 5,000 shares less such number of shares as may have been taken down by the Optionee hereunder prior thereto.

(v) After the expiration of five years and 0 months from the effective date hereof, this option may be exercised with respect to all or any part of the said 5,000 shares less such number of shares as may have been taken down by the Optionee hereunder prior thereto.

Each of the above dates upon which this option shall be exercisable with respect to a certain portion of the shares of the Company's common stock covered by this option shall hereinafter be called an "installment date."

(b) This option and the accompanying stock appreciation right shall not be transferable by Optionee otherwise than by will or the laws of descent and distribution, and shall be exercisable, during his lifetime, only by him.

(c) If the Optionee's employment with the Company or a subsidiary terminates within one year from the effective date hereof, he shall not be entitled to purchase any stock pursuant to this option and all of his rights hereunder shall forthwith cease and terminate.

(d) If the Optionee's employment with the Company or its subsidiary terminates [illegible] the effective date hereof, and within the period of this option, the Optionee may exercise this option to purchase [illegible] shares for which this option has become exercisable but which have not been theretofore purchased by him, and in addition may exercise this option to purchase [illegible] of the shares allotted to the nearest full shares) that would be newly allotted and not previously offered to him and for which this option would be exercisable on the next succeeding installment date which has the number of full months which has passed between the last installment date and the effective date of Optionee's termination of employment bears to the total number of full months between such last installment date and the next succeeding installment date;

(e) In no event shall this option be exercisable beyond Ten years from the effective date hereof (the period from the effective date hereof to said date after which this option can no longer be exercised, being hereafter called "the period of this option");

(f) In the event that Optionee ceases to be an employee of the Company or its subsidiary hereunder for any reason other than death or retirement under a retirement program of the Company or its subsidiary, any portion of this option which is at that time exercisable by virtue of the provisions of Paragraph (d) hereof shall be exercisable by Optionee within three months after Optionee ceases to be an employee of the Company or its subsidiary. If Optionee's employment is terminated by reason of retirement under a retirement program of the Company or its subsidiary, any unexercised portion of this option which is at that time exercisable by virtue of the provisions of Paragraph (d) hereof may be exercised by him within two years after retirement. In no event, however, shall this option be exercisable after the period of this option;

(g) In the event of the death of Optionee while an employee of the Company or its subsidiary, (or within three months after the Optionee's employment with the Company or its subsidiary has otherwise terminated), any unexercised portion of this option which is at that time exercisable by virtue of the provisions of Paragraph (d) hereof may be exercised by the estate of Optionee or by any person or persons to whom the Optionee's rights under this option shall pass by will or by the applicable laws of descent and distribution, within the period of one year after the date of Optionee's death, provided, however, that this option shall in no event be exercisable after the expiration of the period of this option;

(h) An Optionee who is absent from work with the Company or its subsidiary on military, sick leave or other bona fide leave of absence, such as leave of absence for the purpose of serving the government of the country in which the principal place of business of Optionee's employer is located, shall not, during the period of any such absence, be deemed, by virtue of such absence alone, to have terminated his employment with the Company or its subsidiary, except as the Committee appointed by the Board of Directors to administer the 1978 Employee Stock Option Plan (the "Committee") may otherwise expressly provide, if the period of such leave does not exceed 90 days (or, if longer, so long as his right to reemployment is guaranteed either by statute or contract);

(i) Optionee may exercise this option by giving written notice thereof to the Secretary of the Company, accompanied by funds (in cash, certified check or cashier's check) equivalent to the option price specified in Paragraph (a) hereof, multiplied by the number of shares as to which the option is exercised. Notice shall be deemed to have been given when received by the Secretary, if delivered to him, or when postmarked by the Postal Service, if mailed.

(j) If the issued shares of the common stock of the par value of $1.00 per share of the Company are changed or split into a greater number of shares of the Company, as by a stock split or a stock dividend paid in the same class of stock, then the shares covered by this option shall be deemed to have been automatically and proportionately increased and the price per share so decreased to adjust for such occurrence, for example, if the issued common stock of the Company be split or changed into two issued shares for each then issued share or 100 percent common stock dividend be paid, this option shall be deemed to cover double the number of shares unpaid for hereunder just prior to such change, split or dividend, and the price as to each thereof shall be one-half (1/2) of the price hereinbefore stated. Like appropriate, or pro rata upward adjustment of the price per share and downward adjustment of number of shares shall also be made in the event of any combination of shares of common stock of the Company, however effected. Except as provided in this Paragraph (j), no option granted may be modified as to the price per share or the number of shares of common stock issuable thereunder.

(k) The Optionee may, subject to the terms and conditions of the option, notify the Company that instead of exercising the option (or such portion as is then exercisable) he has elected to surrender unexercised part or all of such portion of the option as is then exercisable and to receive in exchange therefor a payment having an aggregate value equal to the product of (A) the excess of (i) the fair market value on the exercise date of one share over (ii) the option price per share, times (B) the number of shares called for by the option, or portion thereof, which is surrendered. Such surrender is referred to herein as the exercise of a stock appreciation right. The Committee shall, in its sole discretion, determine whether upon exercise of a stock appreciation right payment shall be made to the Optionee in the form of all cash, all shares, or any combination thereof. If the Optionee is to receive a portion of such payment in shares, the number of the shares shall be determined by dividing such portion by the fair market value of a share on the exercise date. No fractional shares will be issued, but instead cash will be paid for a fraction.

The fair market value of a share for the purpose of this Paragraph (k) shall be the mean between the highest and lowest sale prices of the common stock reported as New York Stock Exchange - Composite Transactions for the date of exercise, or if there are no sales on such date, on the next preceding day on which there were sales.

The date of exercise of a stock appreciation right shall be the date on which the Optionee gives notice in writing to the Secretary of the Company of his election to exercise it. Such notice shall be deemed to have been given when received by the Secretary, if delivered to him, or when postmarked by the Postal Service, if mailed.

Upon exercise of a stock appreciation right, the number of shares subject to exercise under this option shall automatically be reduced by the number of shares represented by the portion of the option which is surrendered.

Whether payment upon exercise of a stock appreciation right is made in cash, shares, or a combination thereof, the Committee may, in its sole discretion, provide whether the payment shall be made in one lump sum or in annual installments or otherwise deferred, and whether any payments deferred may bear amounts equivalent to interest or cash dividends.

(l) The Company may, in the case of exercise in whole or in part of this option or a related stock appreciation right, withhold, in accordance with applicable federal or state law, any amounts required to be withheld as federal or state income tax. Should the amount required to be withheld exceed the amount of cash which is to be paid to the Optionee, the Optionee agrees to remit to the Company an amount of cash sufficient to enable the Company to withhold as required, and the Company shall not be obligated to deliver any shares of stock until he has remitted such amount.

(m) The Company shall not be required to deliver any shares pursuant to the exercise in whole or in part of this option or the accompanying stock appreciation right unless a registration statement with respect to the sale of such shares is in effect under the Securities Act of 1933, or unless in the opinion of its counsel an exemption from such law is applicable; and unless the shares have been listed upon the New York Stock Exchange. The Company agrees to use its best efforts to maintain in effect such a registration statement and such listing.

(n) This option, and the terms and provisions hereof, may be altered or modified from time to time upon written notice to Optionee, when and to the extent the Committee or the Board of Directors of the Company deem such alteration or modification advisable in order that this option shall conform to any change in applicable law, provided, however, that no such alteration or modification shall, except as specified in Paragraph (i) hereof, (i) increase the maximum number of shares for which this option is granted, or (ii) change the option price set out in the first paragraph of this option.

IN WITNESS WHEREOF, Kerr-McGee Corporation has caused this instrument to be executed on and effective on this 14th day of January, 1980.

ATTEST:

Assistant Secretary

KERR-McGEE CORPORATION

By _____
Chairman of the Board

KM-1979-S-A

ATTACHMENT TO FINANCIAL
STATEMENT FOR T S ARY
12-10-87 Page 4 of 13

KERR-McGEE CORPORATION
KERR-McGEE CENTER • OKLAHOMA CITY, OKLAHOMA 73125

DEC 7 1987
D. A. McGEE
CHAIRMAN

Kerr McGee Corp
Minerals Exploration Div.
RECEIVED
MAR 24 1982

March 15, 1982

Mr. T S Ary
2601 McGee Tower
Oklahoma City, Oklahoma 73125

T S ARY
PRESIDENT

Reference is hereby made to the stock option granted to you January 14, 1980 to purchase 5,000 shares of Kerr-McGee common stock at a price of $70.125 per share, which, by virtue of the 2-for-1 split effective October 21, 1981, (after taking into account partial exercises since it was granted), is today an option to purchase 10,000 shares at $35.0625 per share.

In the Economic Recovery Tax Act of 1981 Congress amended the Internal Revenue Code to authorize "Incentive Stock Options". The exercise of an "Incentive Stock Option" will not be a taxable event; federal income tax liability will be incurred only when the stock purchased under the option is disposed of; and the capital gain holding period will be one year.

Congress authorized corporations to elect to apply the statutory amendments to certain options which were not in excess of a specified value when the option was granted. The Board has authorized the Stock Option Committee to elect to apply the amendments to your option provided you agree that

(1) Any right you may have had to exercise the incentive stock option by payment in Kerr-McGee common stock owned by you having a market value on the date of exercise equal to or greater than the exercise price, rather than payment in cash or check, is hereby rescinded.

(2) With approval by the Committee, your option will be deemed to be divided into an option for 1,426 shares, which shall be deemed to be an Incentive Stock Option, and an option for 8,574 shares, which shall be deemed not to be an Incentive Stock Option and the exercise of which will be taxable; and in any notice of exercise you will designate whether the part of the option you are exercising is part of the Incentive Stock Option or of the option which is not an Incentive Stock Option.

(3) The Incentive Stock Option will not be exercisable while there is outstanding (within the meaning of subsection 422A(c) (7) of the Internal Revenue Code) any Incentive Stock Option granted to you, before the granting of the Incentive Stock Option to which this letter relates, to purchase stock of Kerr-McGee Corporation or any other corporation which at the time of such granting was a parent or subsidiary corporation of Kerr-McGee Corporation or a predecessor corporation of any of them.

If you agree, please sign the statement attached and return the signed copy together with a copy of this letter, to P. A. Puttroff not later than April 30, 1982. Upon receipt by us of such signed copy, your option shall be deemed to be amended as provided in this letter.

KERR-McGEE CORPORATION

Att.

By _____
D. A. McGee
Chairman of the Board

Page Two

In order that the amendments made by the Economic Recovery Tax Act of 1981 authorizing "Incentive Stock Options" may be applied to the option granted to me January 14, 1980 , I agree to the amendments to the option described in the letter to me from Kerr-McGee Corporation dated March 15, 1982.

I also understand that the privilege under the statute of exercising the option without incurring federal income tax liability is conditional on my having been an employee at all times during the period beginning on the date of the option and ending on the day three months before the date of exercise; so that if I avail myself of the right provided by the option in case of retirement to exercise more than three months after retirement, I will upon such later exercise incur federal income tax liability at the time of exercise.

Dated 4-13-82 T S Ary

ATTACHMENT TO FINANCIAL
STATEMENT FOR T S ARY
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KERR-McGEE CORPORATION
INTERNAL CORRESPONDENCE

TO: T S Ary

DATE: August 13, 1982

FROM: P. A. Puttroff

SUBJECT: Stock Options

Pursuant to action by the Board of Directors March 23, 1982, the stock option granted to you under date of January 14, 1980, has been amended by inserting immediately prior to the last paragraph of paragraph (a) thereof, which makes the option exercisable in installments, the following paragraph:

> "Anything in this paragraph (a) to the contrary notwithstanding, if any person, or two or more persons acting as a group, has made a tender offer to acquire shares of the common stock of the Company which, together with shares then owned directly or indirectly by such person or persons, would be 40% or more of the outstanding shares of such common stock on the date the offer commences, this option or its accompanying stock appreciation rights may, provided one year has passed since this option was granted, be exercised at any time during the period beginning on the date the tender offer commences and ending on the 10th day following its expiration with respect to all or any part of the shares for which this option is granted less such number of shares as may have been previously purchased by the optionee or surrendered upon exercise of stock appreciation rights."

In the opinion of counsel, this amendment to the option does not affect the tax status of an incentive stock option (in the case of those holders who agreed earlier to amendment of their options to convert them to incentive stock options).

Should any officer wish to exercise stock appreciation rights in reliance upon the paragraph being added to his option by this amendment, except during the "window period" from the 3rd to the 12th day following the release of earnings, it is recommended that he consult general counsel as to the then current state of the law as to whether exercise of rights under such circumstances involves any risk of realizing "short swing" profits which would have to be paid over to the company.

Please acknowledge your acceptance of this amendment by signing and returning the enclosed copy of this letter.

P A Puttroff
8-23-82

T S Ary
Signature

Date

CORPORATE

KERR-McGEE CORPORATION
KERR-MCGEE CENTER • OKLAHOMA CITY, OKLAHOMA 73125

DEC 7 1987

Mr. T. S. Ary
Post Office Box 25861
Oklahoma City, Oklahoma 73125

Dear T.:

On February 7, 1984, the Board of Directors authorized the Stock Option Committee to amend stock options under the 1978 Employee Stock Option Plan to provide that the option will be automatically repurchased for cash, without action by the option holder, in the event of a successful tender offer which results in the offeror owning 25% of the common stock of Kerr-McGee.

You hold an Incentive Stock Option dated 1-14-80, which remains unexercised with respect to 1,426 shares.

The Committee has determined to offer you the opportunity to agree to such an amendment of your option, which will also automatically convert your Incentive Stock Option to a non-qualified stock option, provided your agreement to the amendment is received by July 2.

Your option already provides that in the event of a tender offer for Kerr-McGee's common stock which would result in the offeror owning 40% or more of such shares, whether the offer is successful or not, your option (including the accompanying stock appreciation right) may, provided one year has elapsed from the date of grant, be exercised at any time in full or in part during the period beginning on the date the tender offer commences and ending on the tenth day following its expiration. An officer, however, would be unable to exercise and tender without substantial risk of liability under Section 16(b) of the Securities Exchange Act requiring profit on a purchase and sale or a sale and purchase within six months to be turned over to Kerr-McGee. An officer who exercises a stock appreciation right outside the "window period" following a quarterly or annual earnings release might also have liability.

Because of this potential for liability under Section 16(b) you are being offered the opportunity to have your option amended

to provide that the option will be automatically repurchased for cash at the price determined under such amendment, without any action by the option holder, in the event of a successful tender offer which results in the offeror owning 25% or more of the common stock of Kerr-McGee. This amendment is effective only if you execute the attached copy and return it to the undersigned by July 2, 1984. This offer will not be repeated. By agreeing to this automatic repurchase amendment your option will be bought out completely in the event of a successful tender offer. Although Kerr-McGee is not aware of any reported cases under Section 16(b) involving an automatic repurchase clause, counsel has advised that he believes it unlikely that Section 16(b) liability could be successfully asserted by reason of the repurchase, since it would be automatic and outside your control.

By its terms an incentive stock option is not exercisable if any option granted at an earlier date which was or is an incentive stock option is still outstanding. Consequently, until all earlier granted options you now hold which are or were at any time incentive stock options are exercised in full or repurchased under an automatic repurchase clause (or their ten year term has expired), the automatic repurchase clause in this amendment will not operate.

The U.S. Senate has passed a tax bill which would impose a 20% excise tax on amounts paid under a "golden parachute agreement" entered into after March 15, 1984. A "golden parachute agreement" is defined to include any agreement for payments contingent upon a change in ownership of the corporation if the present value of the payments exceeds 200% of the highest compensation includable in the individual's gross income from the corporation for any one of the five years preceding that in which the "golden parachute agreement" is entered into. It is not possible to determine whether this proposal will be enacted into law, or whether if enacted it will apply to the automatic repurchase clause. The last sentence of the clause permits you to elect out of it if this or similar legislation is enacted.

BY SIGNING AND RETURNING THE ENCLOSED AMENDMENT YOUR INCENTIVE STOCK OPTION WILL AUTOMATICALLY BE CONVERTED INTO A NON-QUALIFIED STOCK OPTION. Enclosed is a copy of a prospectus, dated May 28, 1984, which discusses the more favorable tax consequences relating to an Incentive Stock Option as contrasted to a non-qualified stock option. Your stock appreciation right will not be affected by the enclosed amendment.

If, after considering the advantages and disadvantages of having your option repurchased automatically as provided in the attached amendment, you are agreeable to amending your option to this effect, please so signify by signing and returning one copy of the attached amendment.

KERR-McGEE CORPORATION

By F. A. McPherson
F. A. McPherson
Chairman of the Board

ATTACHMENT TO FINANCIAL
STATEMENT FOR T S ARY
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KERR-McGEE CORPORATION
AMENDMENT OF INCENTIVE STOCK OPTION
TO PROVIDE FOR AUTOMATIC REPURCHASE

The Incentive Stock Option granted by Kerr-McGee Corporation to the undersigned employee dated January 14, 1980, entitling him to purchase 1,426 shares of common stock of Kerr-McGee Corporation under the terms and conditions and at the price therein stated, is hereby amended by adding to paragraph (a) thereof the following:

"Any other provision of paragraph (a) or any provision of paragraph (k) of this option to the contrary notwithstanding, this option shall (provided six months has elapsed since it was granted) be automatically repurchased by the Company if any person or persons has made a successful tender offer for shares of common stock of the Company which, together with shares then owned directly or indirectly by such person or persons, would be 25% or more of the outstanding shares of common stock. In such case, the purchase date shall be the day preceding the last date (including any extensions thereof) on which shareholders of the Company could tender their shares for purchase by the offeror pursuant to the terms of the tender offer, and the fair market value of each share covered by the option shall be the mean between the high and the low price of the Company's common stock reported in the Wall Street Journal as the New York Stock Exchange - Composite Transactions for such purchase date or, if no sale of the Company's common stock was reported for such date, for the next preceding day on which there was such a sale; and the optionee shall receive in cash as full satisfaction of his rights under the option a payment equal to the excess of such fair market value of the shares covered by the option (including any installments not then exercisable) over the total price of such shares. The Company shall notify Optionee if any federal law imposes a special tax or assessment upon payments received which were contingent upon a change, or threatened change, of control or ownership of a corporation and for 30 days after such notice Optionee may elect, by written notice to Company, to cancel this Automatic Repurchase Clause."

KERR-McGEE CORPORATION

By _____
E. A. McPherson
Chairman of the Board

T S Ary
(Print Name)

T S Ary
(Signature)

Dated:

KERR-McGEE CORPORATION
KERR-McGEE CENTER • OKLAHOMA CITY, OKLAHOMA 73125

[illegible] MCPHERSON
CHAIRMAN

Mr. T. S. Ary
Post Office Box 25861
Oklahoma City, Oklahoma 73125

Dear T.:

On February 7, 1984, the Board of Directors authorized the Stock Option Committee to amend stock options under the 1978 Employee Stock Option Plan to provide that the option will be automatically repurchased for cash, without action by the option holder, in the event of a successful tender offer which results in the offeror owning 25% of the common stock of Kerr-McGee.

You hold a non-qualified stock option dated 1-14-80, which remains unexercised with respect to 8,574 shares.

The Committee has determined to offer you the opportunity to agree to such an amendment of your option, provided your agreement to the amendment is received by July 2.

Your option already provides that in the event of a tender offer for Kerr-McGee's common stock which would result in the offeror owning 40% or more of such shares, whether the offer is successful or not, your option (including the accompanying stock appreciation right) may, provided one year has elapsed from the date of grant, be exercised at any time in full or in part during the period beginning on the date the tender offer commences and ending on the tenth day following its expiration. An officer, however, would be unable to exercise and tender without substantial risk or liability under Section 16(b) of the Securities Exchange Act requiring profit on a purchase and sale or a sale and purchase within six months to be turned over to Kerr-McGee. An officer who exercises a stock appreciation right outside the "window period" following a quarterly or annual earnings release might also have liability.

Because of this potential for liability under Section 16(b) you are being offered the opportunity to have your option amended to provide that the option will be automatically repurchased for

cash at the price determined under such amendment, without any action by the option holder, in the event of a successful tender offer which results in the offeror owning 25% or more of the common stock of Kerr-McGee. This amendment is effective only if you execute the attached copy and return it to the undersigned by July 2, 1984. This offer will not be repeated. By agreeing to this automatic repurchase amendment your option will be bought out completely in the event of a successful tender offer. Although Kerr-McGee is not aware of any reported cases under Section 16(b) involving an automatic repurchase clause, counsel has advised that he believes it unlikely that Section 16(b) liability could be successfully asserted by reason of the repurchase, since it would be automatic and outside your control.

The U.S. Senate has passed a tax bill which would impose a 20% excise tax on amounts paid under a "golden parachute agreement" entered into after March 15, 1984. A "golden parachute agreement" is defined to include any agreement for payments contingent upon a change in ownership of the corporation if the present value of the payments exceeds 200% of the highest compensation includable in the individual's gross income from the corporation for any one of the five years preceding that in which the "golden parachute agreement" is entered into. It is not possible to determine whether this proposal will be enacted into law, or whether if enacted it will apply to the automatic repurchase clause. The last sentence of the clause permits you to elect out of it if this or similar legislation is enacted.

If, after considering the advantages and disadvantages of having your option repurchased automatically as provided in the attached amendment, you are agreeable to amending your option to this effect, please so signify by signing and returning one copy of the attached amendment.

KERR-McGEE CORPORATION

By A. McPherson
F. A. McPherson
Chairman of the Board

ATTACHMENT TO FINANCIAL
STATEMENT FOR T S ARY
12-10-87 Page 13 of 13

KERR-McGEE CORPORATION
AMENDMENT OF NON-QUALIFIED STOCK OPTION
TO PROVIDE FOR AUTOMATIC REPURCHASE

The non-qualified option granted by Kerr-McGee Corporation to the undersigned employee dated January 14, 1980, entitling him to purchase 8,574 shares of common stock of Kerr-McGee Corporation under the terms and conditions and at the price therein stated, is hereby amended by adding to paragraph (a) thereof the following:

"Any other provision of paragraph (a) or any provision of paragraph (k) of this option to the contrary notwithstanding, this option shall (provided six months has elapsed since it was granted) be automatically repurchased by the Company if any person or persons has made a successful tender offer for shares of common stock of the Company which, together with shares then owned directly or indirectly by such person or persons, would be 25% or more of the outstanding shares of common stock. In such case, the purchase date shall be the day preceding the last date (including any extensions thereof) on which shareholders of the Company could tender their shares for purchase by the offeror pursuant to the terms of the tender offer, and the fair market value of each share covered by the option shall be the mean between the high and the low price of the Company's common stock reported in the Wall Street Journal as the New York Stock Exchange - Composite Transactions for such purchase date or, if no sale of the Company's common stock was reported for such date, for the next preceding day on which there was such a sale; and the optionee shall receive in cash as full satisfaction of his rights under the option a payment equal to the excess of such fair market value of the shares covered by the option (including any installments not then exercisable) over the total price of such shares. The Company shall notify Optionee if any federal law imposes a special tax or assessment upon payments received which were contingent upon a change, or threatened change, of control or ownership of a corporation and for 30 days after such notice Optionee may elect, by written notice to Company, to cancel this Automatic Repurchase Clause."

KERR-McGEE CORPORATION

By A. A. McPherson
P. A. McPherson
Chairman of the Board

T S ARY
(Print Name)

T S Ary
(Signature)

Dated:

APPENDIX II

Responses to additional committee questions from the nominees

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OFFICIAL COMMITTEE FILE
PLEASE RETURN

ERNEST CORNISH BAYNARD III

SENATE COMMITTEE ON
ENERGY AND NATURAL RESOURCES
RECEIVED
MAR 18 1988
WASHINGTON, D.C. 20510

March 18, 1988

Honorable J. Bennett Johnston
Chairman, Committee on Energy
and Natural Resources
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

Enclosed you will find responses to the questions submitted by Committee members on March 16, 1988. These questions were in addition to the testimony I gave before your Committee regarding my nomination as Assistant Secretary for Environment, Safety and Health.

I have sent Senators Metzenbaum and Wirth responses to their respective questions directly to them as well as a copy to you.

If confirmed, I look forward to working with you and this Committee in the months ahead.

Sincerely,

Ernest C. Baynard III

Enclosures

ANSWERS TO SENATOR METZENBAUM'S QUESTIONS
TO
ERNEST C. BAYNARD III

QUESTION: Mr. Baynard, a recent GAO report pointed out that DOE does not have a separate budget account for RCRA and CERCLA compliance. These are 2 very significant environmental laws which govern the handling, storage, disposal, and clean-up of hazardous materials.

Is it your intention that DOE facilities will be brought into prompt compliance with RCRA and CERCLA?

Do you have a plan for doing that?

If you have a plan, how do you intend to implement that plan without a specific budget?

ANSWER: DOE facilities should be brought into compliance with all applicable environmental laws as quickly and promptly as possible. In that regard, it is my understanding that DOE is making good progress under CERCLA and is in compliance with CERCLA requirements. With respect to RCRA compliance, I think it's critical for the Department to move toward implementing enforceable compliance agreements with the States and/or EPA with schedules and milestones for corrective actions. Additionally, the Department is developing a plan, for its defense facilities due to the Congress by July 1, 1988, to identify the scope, priorities, estimated costs, and schedules for corrective actions including those to achieve: (1) compliance with applicable RCRA requirements, and (2) clean-up actions necessary for remedial actions under CERCLA. Finally, I understand that the Department has already agreed to establish separate budget accounts for remedial actions.

QUESTION: Are you aware that Executive Order 12088 requires all Federal Agencies to have enough money in their budgets to comply with all environmental laws?

How do you propose that DOE demonstrate compliance with that Order in the absence of separate budget accounts?

ANSWER: I am aware of the requirements of Executive Order 12088. I am also aware of some of DOE's difficulties in demonstrating compliance with those requirements in the absence of separate budget accounts. However, I believe that the Department's commitment on March 10, 1988, by Under Secretary Joseph F. Salgado, to develop a budgeting and accounting system to identify and track environmental compliance requests and costs will also enable the Department to demonstrate full compliance with Executive Order 12088.

QUESTION: On November 4, 1986, the Cleveland Plain Dealer reported that the Department of Energy would notify and offer medical monitoring to thousands of workers exposed to beryllium dust and fumes while on the job in the 1940's and 1950's. According to the Plain Dealer, 10,000 at-risk workers could qualify for the federally funded medical screening. The same notification and screening program was reported by a Los Angeles television station in an award-winning new documentary that aired in October of 1986. It is now 16 months later and the Department has done nothing to notify or screen these thousands of workers who are at risk of lung cancer or other respiratory diseases. Is DOE still committed to undertaking its risk notification program? If so what are the specifics of the risk notification program? How many persons are being notified? What are they going to be told? What medical tests will they be given? What will be the cost per worker to the Federal Government?

ANSWER: Yes, the DOE is still committed to undertaking the notification of beryllium workers. The Department is developing a notification program for former employees who could have been exposed to beryllium at DOE facilities that would provide for notifying all former workers, conducting education seminars, and referring former workers to medical experts and to private organizations for evaluation and treatment.

The Department is coordinating the development of notification material with NIOSH, medical experts, and others. This material is expected to address the nature of chronic beryllium disease, with symptoms, and prognosis and treatment; the latency period associated with the disease; and a discussion of where to obtain screening tests for early diagnosis.

No medical examinations are expected under the DOE notification program. However, the notification materials will include information that will be sent to private physicians upon

request and educational seminars aimed at both workers and local physicians. DOE would also provide information on where former beryllium workers can go to obtain a definitive diagnosis of whether or not they have contracted beryllium disease.

I understand the cost of the total program would be several million dollars.

ANSWERS TO SENATOR WIRTH'S QUESTIONS
TO
ERNEST C. BAYNARD III

QUESTION: Mr. Baynard, you stated in your written testimony that "a tremendous amount remains to be accomplished in the balance of this administration." I strongly agree with that statement. What do you view as the most urgent problems in the areas of environment, health and safety? What are your priorities and goals for the next nine months in those areas?

ANSWER: I view the following as the most urgent problems in the area of environment, health, and safety: (1) any current violations of the Resource Conservation and Recovery Act; (2) a large variety of technically complex environmental contamination problems at DOE facilities; and (3) the problems referred to by the National Academies of Sciences and Engineering in their report on Safety Issues at Defense Production Reactors.

My priorities and goals for the next nine months in those areas are: (1) to enter into compliance agreements with EPA and/or the states for those DOE facilities that require significant RCRA compliance activity; (2) to establish a set of priorities for clean-up and corrective actions at DOE weapons production sites; and (3) to expand the on-site Office of Environment, Safety and Health presence in the field and to conduct more frequent and comprehensive safety appraisals.

QUESTION: Also in your testimony, Mr. Baynard, you state that "through careful and consistent audits and appraisals, we can...take steps to reduce any potential risks." One such safety review was conducted at the Rocky Flats plant in Colorado last month, in which, as I understand it, serious problems with monitoring of radiological emissions and monitoring workers for radioactive contamination were uncovered. Would you detail some of those findings and recommendations for us here?

ANSWER: The DOE Technical Safety Appraisal (TSA) report of Rocky Flats Plant is currently being prepared by the DOE staff. My understanding, based on preliminary briefings, is that the radiological safety program was substandard as evidenced by lapses in the contamination control program and in instrument calibration and usage. The principal findings and recommendations will need to be detailed in the report. However, I understand that short-term measures were instituted to deal with the identified deficiencies and a remedial program to address the underlying reasons which give rise to such deficiencies is being prepared. I will give priority attention to focusing on the resolution of the broader issues with the intent of precluding a recurrence of individual deficiencies.

QUESTION: What are Rockwell International's plans for corrective action? What options do you have to compel the contractor to take correction action?

ANSWER: I understand that Rockwell International has developed both short-term and long-term corrective measures. Corrective actions include resolution of the individual deficiencies identified by the TSA team, restructuring and strengthening of the critical self-assessment process, including use of external reviews and audits, and a strengthening of the safety and quality assurance functions within the organization. It is my intent to foster a more aggressive monitoring and follow-up program, in conjunction with the responsible DOE program and field office.

I am advised that all Department of Energy contracts contain provisions requiring contractors to comply with Departmental policies and standards, including those pertaining to environment, safety and health. Line management, i.e., the Operations Manager, is directly responsible for ensuring that contractor operations under his/her cognizance are conducted in accordance with the contract provisions. In my oversight role, I intend to foster a more frequent dialogue with the cognizant Operations Office Managers and Program Assistant Secretaries, so that environment, safety and health matters receive priority attention. In addition, the Assistant Secretary for Environment, Safety and Health has authority, in certain circumstances, to suspend or curtail operations that pose a clear and present danger.

QUESTION: I understand that many of the problems identified in this most recent inspection were also identified in a similar inspection two years ago at Rocky Flats, but were never corrected. What were those problem areas and what prevented DOE/Rockwell from correcting them?

ANSWER: It is my understanding that the major areas where similar problems had been identified 2 years earlier were radiological protection and safety program administration. I don't know whether or to what extent the earlier problems were corrected but, to the extent that they were not, I will make it a priority to determine whether the identified issues are being corrected and that the underlying problems properly resolved so as to preclude their recurrence.

QUESTION: From your limited experience with the DOE nuclear weapons complex to date, what role would you say that lack of adequate funding or other resources plays in environmental, health and safety problems within the complex?

ANSWER: From my limited exposure, to date, of the status of the DOE nuclear weapons complex, I am aware that many of the facilities are old and that these facilities require increasing attention and resources to maintain safe operations. I further understand that the Department has requested, and the Congress has appropriated funds in the past years for revitalization of defense production facilities. However, the issues today seem to deal more with how aging facilities and their operations can be brought into compliance with stricter standards than originally required for operation or design. With aging, increased vigilance must be applied, both for accident prevention as well as reliability of operations.

Department of Energy
Washington, DC 20585

March 18, 1988

SENATE COMMITTEE ON
MAR 23 1988
Washington, D.C. 20510

Honorable J. Bennett Johnston
Chairman, Committee on Energy
and Natural Resources
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

In response to your letter of March 16, 1988, enclosed are my responses to Senator Metzenbaum's questions.

Sincerely,

C. Anson Franklin
Acting Assistant Secretary
Congressional, Intergovernmental
and Public Affairs

Enclosure

cc: Honorable James A. McClure
Ranking Minority Member

Honorable Howard M. Metzenbaum

QUESTIONS FROM SENATOR HOWARD M. METZENBAUM

Question 1. 88 Civil Services positions have been eliminated since 1981, while 54 political appointees have been hired. How do you justify this trend toward politicization of your Department? If you are confirmed, will this trend continue under your tenure?

The 54 Schedule C hires is a cumulative number, reflecting staff turnover, that does not accurately reflect the number of Schedule C positions in this office. By comparison, 48 Civil Service employees have been hired since 1981. Currently, there are 17 Schedule C appointees on board, which is 17 percent of the staff. I believe that this is an appropriate level of Schedule C appointees, because this office plays a central role in representing the Department in discussions of Administration policy with Members of Congress. Although there are three Schedule C vacancies (and three career service vacancies) which I intend to fill, I do not anticipate any significant change in the ratio of Schedule C to Civil Service positions during my tenure, if I am confirmed.

Question 2a. Will there be any attempt to convert these political appointees to tenured civil service status under your watch?

I do not plan to convert these Schedule C positions to career status; however, I believe that Schedule C employees should have the same rights as other persons to compete for existing career positions for which they are qualified.

Question 2b. Do I have your assurance that during your tenure there will be no reductions in force or downgradings of career employees and that political appointees will be converted to more permanent or career status?

I do not foresee any reductions in force during my tenure and I plan no downgradings of career employees now on staff. As vacancies occur, it is an appropriate and necessary management responsibility to review the positions to see if they can be performed at a lower grade. As stated above, I believe that Schedule C employees should have the same rights as other persons to compete for existing career positions for which they are qualified.

Question 3. Last month, your office implemented a reorganization, with only eight months remaining under this Administration. You state in your March 11 reply that most staff members will continue to work on the same assignments. If that is so, what can be the purpose of this reorganization?

The reorganization had two purposes: to provide a cadre of high-ranking, experienced staff members who could work directly with senior officials in other programs on sensitive policy issues under consideration in Congress; and to restructure the Office of Congressional Affairs in order to improve its effectiveness in performing its missions.

Question 4. Under the new organization, please highlight and summarize--in plain language and without Federal personnel jargon--the major differences in functions of the following offices:

A. The Deputy Assistant Secretaries for House and Senate Liaison
B. The Office of Congressional Affairs
C. The Office of Congressional Policy

A. The Deputy Assistant Secretaries for House and Senate Liaison have principal responsibility for overseeing the Department's relations with each House. This includes all legislative issues which affect the Department as well as the concerns and interests of individual members. They are expected to have expert knowledge about the House for which they have responsibility and to coordinate the Department's response to issues which affect more than one Department program.

B. The Office of Congressional Affairs has responsibility for the day-to-day operations of the Department's congressional activities. This includes acting as liaison with Congressional staff for routine inquiries, providing information about legislation affecting the Department, arranging Congressional briefings and coordinating Congressional hearing requests.

C. Staff in the Office of Congressional Policy are assigned to specific Department programs. They are expected to advise and assist program Assistant Secretaries on legislative issues affecting their specific areas of responsibility. They are expected to have an indepth working knowledge about the programs to which they are assigned and to have the ability, in coordination with House and Senate Liaisons, to deal with sensitive policy issues in both Houses of Congress.

Question 5. How do you justify the high Schedule C grades in the House and Senate Liaison and the Policy Offices?

These Offices have key responsibilities in the development and implementation of energy policy and provide the Department's senior management with advice about Congressional activities and concerns affecting the formulation of national energy policy. The grade levels of these positions were determined by our Office of Personnel, based on the duties and responsibilities assigned.

6. Will employees in the Office of Congressional Policy supervise employees in the Office of Congressional Affairs?

No

Question 7. Of the thirty promotions of Schedule C Employees listed in Tab E, how many promotions occurred within approximately twelve months after service in the previous grade? How many within 6, 18, and 24 months?

Of the thirty promotions for Schedule C employees, the following is a breakout of months in grades:

6 - 12 months	=	5
12 - 18 months	=	20
18 - 24 months	=	5
Total		30

Question 8. If some funds for employee salaries in CP are derived from unobligated funds, would it not have also been possible to have paid employees who were adversely affected by reductions in force from unobligated funds?

Due to the budgetary constraints throughout the Department in 1981 and 1984, it was necessary to conduct reductions in force. It is my understanding that a decision was made to lower the staffing level in CP as a result of the funding reductions. The level of unobligated funds available in CP programs were insufficient to cover the salary expenses of the employees adversely affected by the reductions in force. Employee salaries currently covered by unobligated funds fall within current budget guidelines and are much less than the amounts that would have been required during the reductions in force.

T S Ary
2916 Drakestone Avenue
Oklahoma City, Oklahoma 73120
MAR 18 1988

SENATE COMMITTEE ON
ENERGY AND NATURAL RESOURCES
RECEIVED
MAR 18 1988
WASHINGTON, D.C.

Honorable J. Bennett Johnston
Chairman
Committee on Energy and
Natural Resources
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

Please find enclosed my responses to questions, regarding my nomination, contained in your letter of March 16, 1988.

Sincerely,

T S Ary

Enclosure

Additional Questions Submitted
by
The Honorable J. Bennett Johnston
Concerning the Nomination of
T S Ary
in the Confirmation Hearing before
the
Committee on Energy and Natural Resources
March 16, 1988

1. Q. What role do you see yourself playing as director of the Bureau of Mines?

   A. If confirmed as Director of the Bureau of Mines, I would plan to exert a strong, active hands-on leadership role in the Bureau. I would work closely with Congress, other Government agencies, academia and the mineral community to establish sound Bureau goals and objectives to meet national needs and utilize the Bureau's resources to maximize the positive impact on national mineral policy and the country's competitiveness in world mineral markets. I would work closely with Bureau personnel in the selection and organization of the Bureau projects and the control of the progress and cost of those activities.

   Last, but by no means least, as I stated at my hearing, I plan to strengthen and improve the bond between the Bureau, academia and the mineral community.

2. The Bureau is currently undergoing a restructuring.

   Q. o Have you had input into the restructuring plan?

   A. o I had no input into the restructuring of the Bureau. I approve of the simplification of the organizational chart and the reporting stream and the combining of like subjects under a single reporting line.

   Q. o How will the restructuring strengthen the Bureau of Mines?

   A. o It is my understanding that the restructuring will streamline and simplify the reporting requirements and improve program coordination and communication. It will also help the Bureau to better respond to the changing environments in the mineral and materials industry.

   Q. o Do you have any ideas for further reorganization?

   A. o I have no plans for further reorganization.

   Q. o It was estimated that the plan would potentially affect 150 employees, and that all employees would be offered a job but not necessarily at the same grade or in Washington. What effect has the restructuring had on employment?

A. o I am advised by the Bureau that the reorganization affected 50 employees, 35 of which transferred to other Headquarters positions at the same grade level. Fifteen employees received a one-level downgrade as a result of the Office of Personnel Management's prescribed process used in such organizational changes.

3. The Bureau's budget requests have been severely cut for the past several years. The Department's request for FY 1986 was 34 percent less than the FY 1981 request, and FY 1989's request is a 20 percent reduction from the FY 1981 level. Although Congress has supported funding increases, I am concerned that the budget requests reflect a lack of commitment to important mineral programs.

Q. o How does the Bureau's funding request compare with other bureaus within the Department?

A. o The Bureau has provided me the following information. A comparison of the FY 1989 budget requests for the 13 Bureau level organizations within the Department with their FY 1983 appropriations indicates that five of them, including the Bureau of Mines, show a reduction. Comparing their FY 1988 appropriations with their FY 1983 appropriations, only four show a reduction; the Bureau of Mines budget is 1.2 percent higher. It is my understanding the Administration's FY 1989 budget request for the Bureau is $8 million more than the FY 1988 request. The Bureau advises me that the $126.6 million request for 1989 is $1.9 million less than the FY 1988 appropriated level for the Bureau's internal programs.

Q. o Which programs have been hit the hardest by reductions?

A. o I am advised the Bureau's health and safety programs have shown the greatest percentage reduction since the early 1980's.

4. In 1985 the Bureau conducted a long-range planning study known as Project 2000.

Q. o Do you agree with the Project 2000 goals?

A. o Yes, I agree with the Project 2000 goals.

Q. o Are these goals being met?

A. o I am advised that since 1985, when the Strategic Plan was put forward, progress has been made toward the overall goals. The Bureau's budgets over the past 2 years have identified more closely the work associated with Project 2000 goals.

Q. o Are there any additional goals the Bureau should be working towards?

A. o I am sure there will be refinements and adjustments to the Plan.

5. As usual, the Department's budget proposal for FY 1989 does not include funding for the Mineral Institutes program.

Q. o Do you think the Mineral Institutes are a worthwhile program?

A. o Yes, I agree with the concept of the Mineral Institutes and the Generic Centers.

Q. o Do you agree that adequate, non-federal funding is available?

A. o I have not examined the particular non-Federal funding opportunities which may be available.

Q. o The authority for this program expires at the end of FY 1989. Do you support reauthorization of the program?

A. o I stated at my hearing that I agree with the concept of the Mineral Institutes and the Generic Centers. I would seek funding for those Institute projects which respond to national needs and fit into the goals and objectives established for the Bureau. A copy of my letter to the Honorable Wendell H. Ford regarding this subject is attached.

6. Q. What do you think is the Bureau's role in regulatory matters such as the mine waste disposal issue?

A. I am a strong advocate that the U.S. Bureau of Mines should be the lead agency for all activities involved in minerals production. This should include analysis of regulations that affect the minerals sector of our economy, including those dealing with mine waste disposal.

The Mining and Minerals Policy Act of 1970, among other provisions, calls for the study and development of methods for the disposal, control, and reclamation of mine waste products.

The National Materials and Mineral Policy, Research and Development Act of 1980, among other provisions, mandates that appropriate attention be given to the long-term balance between resource production, energy use, a healthy environment, good conservation practices and social needs.

It is the Bureau of Mines' basic mission to help ensure that the United States has an adequate and dependable supply of minerals to meet its defense and economic needs at acceptable environmental, energy, and economic costs. This mission certainly includes reviewing and commenting on regulatory matters such as mine waste disposal.

Q. o Do you anticipate any problem in the perception of the Bureau's maintaining scientific objectivity on this issue?

A. o Bureau personnel have a reputation for academic honesty and high ethical standards. There is no question in my mind that there would be no problem in their maintaining scientific objectivity on the matter of mine waste disposal or any other subject under study. I will do all I can to ensure that the Bureau's professional judgment in such technical and scientific matters is maintained.

Q. o What level of commitment is the Bureau making to regulatory analysis?

A. o The Bureau's proposed level of effort on regulatory issues in FY 1989 is $1.7 million.

Q. o Are these funds redirected from other programs?

A. o Of this amount, $1 million is redirected from other information analysis efforts.

Q. o If so, which ones?

A. o I am advised that the funds being redirected toward regulatory analysis projects are largely available due to the completion of other work. The redirections occur mainly within the Bureau's Policy Analysis program, rather than representing a transfer of funds between Bureau programs.

7. Q. I note that one of the Bureau's initiatives is in the advanced materials area. Do you see a trend in the Bureau's mission away from some of the traditional minerals and towards advanced materials?

A. I do not see a trend in the Bureau's mission away from some of the traditional minerals. Indeed, traditional materials form the basis for many "advanced" materials. I view the advanced materials efforts of the Bureau to be complementary with its efforts toward the traditional minerals. This new class of materials should be considered nothing more than a new commodity and viewed by the Bureau as any other mineral, metal or industrial mineral. Advanced materials need to be examined to determine if then might be used as substitutes for those critical and strategic minerals for which we have a domestic shortage as well as some of the more traditional mineral-based materials.

Q. o If so, to what degree?

A. o

8. Q. What is your view of the future potential for hard rock mining in the offshore Exclusive Economic Zone?

A. I have been very enthusiastic about the possibilities of potential mineral deposits within the EEZ. The new sea-floor spreading center deposits and recent scientific discoveries on the ocean floor have proven that some of our seafloor model concepts which we have been

using for land-based massive sulfide deposits were correct. We eagerly look forward to working in the EEZ. We look upon the EEZ as the new exploration frontier for our exploration geologists.

Due to the hostile environment, of the oceans and our lack of basic information and knowledge of the oceans and specifically the ocean floor, the prospects of actual mining may not take place for 25 to 30 years. This timeframe could be shortened considerably if the development of new exploration tools and technology could be accelerated. This, of course, assumes there will be an adequate market for the minerals and also that the metal prices will justify the operations.

Efficient exploration of the ocean floor, by both the Government in its broad-scale reconnaissance work and the private sector in its detailed assessments, would be greatly enhanced by using advanced technology in the form of remote sensors, sonar equipment, advance precision navigational methods, electronics, computers and remote operating vehicles.

Q. o Do you believe that the Outer Continental Shelf Lands Act provides an adequate framework on which to build an ocean mining regime?

A. o I have previously testified on behalf of industry in favor of new legislation for the mining of hard-rock minerals within the EEZ—legislation specifically designed for mining in the EEZ.

It is my understanding that the Department of the Interior is satisfied that ocean mining can be conducted under the existing statutory framework.

The possibility of minerals within the EEZ is so important that I believe we should accelerate the search for and production of them. In my capacity as a member of Secretary Hodel's senior management team, I will continue to strongly support all efforts to encourage the development of EEZ minerals.

9. Q. Has the Bureau's reorganization affected the Abandoned Mine Reclamation research program transferred from the Office of Surface Mining to the Bureau in FY 87?

A. The reorganization of the Bureau of Mines will have a favorable effect on the Abandoned Mine Reclamation research program. The program will benefit from closer coordination with other Environmental Technology research.

The Bureau's Division of Environmental Technology is subdivided into three elements: (1) Control of Mine Drainage and Liquid Waste, (2) Solid Waste Management and Subsidence, and (3) the National Mine Land Reclamation Center.

A component of the AML Research Program is contained in each of the first two elements. The AML program will benefit from related studies which are underway on acid mine drainage, metal migration from metal mines, mine stability and reclamation.

T S ARY
2916 Drakestone
Oklahoma City, Oklahoma 73120

MAR 15 1988

Honorable Wendell H. Ford
Committee on Energy and Natural
Resources
United States Senate
Washington, D.C. 20510

Dear Senator Ford:

In response to your question related to the Mineral Institutes during my confirmation hearing on Monday, March 14, I want to assure you that I have been a supporter of the concept of the Institutes and the Generic Centers. As I stated during my hearing, I believe there are some Institute projects which are better than others.

In my statement, I agreed that if I am confirmed as the Director of the Bureau of Mines I would work closely with Government, industry and the academia in establishing sound goals and objectives for the Bureau of Mines. As Director, I would advocate objectives which would be in the best interest of the Nation and goals which would utilize the Bureau's funds to maximize the positive impact on Federal mineral policy and the improvement of the competitiveness of the mineral industry.

As the Director of the Bureau of Mines, I will commit to you that I will become personally involved in the review of each of the Institutes and their activities. I will work closely with your Committee and other appropriate Committees to advise you of the results of my review. I will also work with the Secretary of the Interior and Congress in seeking funding for Institute projects which respond to national needs and fit into the established goals and objectives of the Bureau.

Sincerely,

TS ARY

T S Ary